

CARBON COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Carbon County
Price, Utah 84501

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County, Utah as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Carbon County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Scofield Reservoir Special Service District, which represents .51 percent of the assets, net position and revenues of the Statement of Net Position and the Statement of Activity. Those statements were unaudited and their reports have been furnished to us, and our opinion insofar as it relates to the amounts included for Scofield Reservoir Special Service District, is based solely on the report provided. We conducted our audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Carbon County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Carbon County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Carbon County, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and pages 64 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 15, 2014, on our consideration of Carbon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Carbon County's internal control over financial reporting and compliance.

SMUIN, RICH & MARSING

A handwritten signature in cursive script, appearing to read "Laurie, Rich & Marsing", written in black ink.

Price, Utah

August 15, 2014

**CARBON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

This discussion of Carbon County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2013. This report is in conjunction with the County's financial statements.

The purpose of the County is to provide general services to its residents, which includes general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

Financial Highlights

- The assets of Carbon County exceeded its liabilities as of December 31, 2013 by \$140,862,792 (net position), compared to \$136,484,989 as of December 31, 2012, an increase of \$4,377,803. Of this amount, \$9,825,418 (unrestricted net position) may be used to meet the governments' ongoing obligations to citizens and creditors. Current year net position increase by \$6,225,074.
- The government's total net position increased by \$6,225,074. Net position increased by \$2,490,214 in the prior year. The major difference between the two years was an increase in funding for capital projects and an increase in capital projects expenditures in 2013.
- At the close of the current year, the Carbon County governmental funds reported combined ending fund balances of \$19,273,756, a decrease of \$186,869 in comparison with the prior year. Approximately 23 percent of this total amount, \$4,436,915 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current year, unassigned fund balance for the general fund was \$4,436,915, or approximately 89.3 percent of total balance in the General Fund.
- Carbon County's total debt decreased \$786,556 during the current year, because new loan proceeds of \$130,116 were less than the payments of \$916,672.

Overview of the Financial Statements

This annual report consists of a series of financial statements. Government-wide financial statements consist of the following: the Statement of Net Position and the Statement of Activities, which provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements, for governmental activities, tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. This report also contains notes and other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of Carbon County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of Carbon County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Carbon County is improving or deteriorating.

The Statement of Activities presents information showing revenues and expenditures of the County and how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Carbon County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Carbon County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Carbon County are the County Court Complex.

The government-wide financial statements include not only Carbon County itself (known as the primary government), but also two legally separate special service districts, the Scofield Special Service District and the Carbon County Recreation & Transportation Special Service District, for which Carbon County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Carbon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Carbon County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Fund financial statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Carbon County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, municipal services fund, Southeastern Utah District Health, Building Authority, and capital projects all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Carbon County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

- Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Carbon County uses an enterprise fund to account for its County Court Complex operations.
- Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Carbon County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.
- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.
- Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Carbon County. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Carbon County, assets exceeded liabilities by \$140,862,792 at December 31, 2013.

By far the largest portion of Carbon County's net position (86.8 percent) reflects its investment in capital assets (e.g. land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Carbon County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Carbon County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Position

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--|-------------------------|-----------------------|--------------------------|---------------------|-----------------------------|-----------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Current and other assets | \$ 21,037,259 | \$ 21,837,903 | \$ 1,075,601 | \$ 1,139,532 | \$ 22,112,860 | \$ 22,977,435 |
| Capital assets | 131,519,859 | 137,119,789 | 865,636 | 862,285 | 132,385,495 | 137,982,074 |
| Total assets | <u>\$ 152,557,118</u> | <u>\$ 158,957,692</u> | <u>\$ 1,941,237</u> | <u>\$ 2,001,817</u> | <u>\$ 154,498,355</u> | <u>\$ 160,959,509</u> |
| Long-term debt outstanding | \$ 15,422,694 | \$ 14,617,418 | | | \$ 15,422,694 | \$ 14,617,418 |
| Other liabilities | 2,496,706 | 3,477,482 | \$ 93,966 | \$ 96,473 | 2,590,672 | 3,573,955 |
| Total liabilities | <u>\$ 17,919,400</u> | <u>\$ 18,094,900</u> | <u>\$ 93,966</u> | <u>\$ 96,473</u> | <u>\$ 18,013,366</u> | <u>\$ 18,191,373</u> |
| Net position: | | | | | | |
| Investment in capital assets, net of debt | \$ 115,896,279 | \$ 122,282,765 | \$ 865,636 | \$ 862,285 | \$ 116,761,915 | \$ 123,145,050 |
| Restricted | 7,786,356 | 8,754,609 | 981,635 | 1,043,059 | 8,767,991 | 9,797,668 |
| Unrestricted (Deficit) | 10,955,083 | 9,825,418 | | | 10,955,083 | 9,825,418 |
| Total net position | <u>\$ 134,637,718</u> | <u>\$ 140,862,792</u> | <u>\$ 1,847,271</u> | <u>\$ 1,905,344</u> | <u>\$ 136,484,989</u> | <u>\$ 142,768,136</u> |

A portion of Carbon County's net assets (6.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$9,825,418 may be used to meet the government's on-going obligations to citizens and creditors.

At the end of the year, Carbon County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Government-wide financial analysis (Continued)

Governmental activities increased Carbon County's net position by \$6,225,074. Key elements of this increase are as follows:

Table 2
Change in Net Position

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------------------|-------------------------|----------------------|--------------------------|-------------------|-----------------------------|----------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 7,633,840 | \$ 7,056,496 | \$ 184,928 | \$ 170,898 | \$ 7,818,768 | \$ 7,227,394 |
| Operating grants and cont. | 4,900,457 | 4,681,337 | | | 4,900,457 | 4,681,337 |
| Capital grants and cont. | 6,201,513 | 10,104,316 | | | 6,201,513 | 10,104,316 |
| General Revenues: | | | | | | |
| Property taxes | 6,766,294 | 7,095,699 | | | 6,766,294 | 7,095,699 |
| Sales taxes | 1,971,556 | 1,954,979 | | | 1,971,556 | 1,954,979 |
| Other general revenues | 3,831,558 | 4,801,479 | | | 3,831,558 | 4,801,479 |
| Total revenues | \$ 31,305,218 | \$ 35,694,306 | \$ 184,928 | \$ 170,898 | \$ 31,490,146 | \$ 35,865,204 |
| Program expenses | | | | | | |
| General government | \$ 6,081,262 | \$ 6,043,704 | | | \$ 6,081,262 | \$ 6,043,704 |
| Public safety | 7,597,494 | 7,301,562 | | | 7,597,494 | 7,301,562 |
| Public health | 4,529,832 | 4,305,759 | | | 4,529,832 | 4,305,759 |
| Highways and public improve. | 7,038,357 | 8,121,144 | | | 7,038,357 | 8,121,144 |
| Parks and recreation | 2,518,669 | 2,638,281 | | | 2,518,669 | 2,638,281 |
| Conservation & Econ. Dev. | 482,147 | 544,668 | | | 482,147 | 544,668 |
| Contributions and Misc. | 103,530 | 514,114 | | | 103,530 | 514,114 |
| Capital outlay | | | | | | |
| Interest on long-term liab. | 738,522 | | | | 738,522 | |
| County Court Complex | | | \$ 121,204 | \$ 112,825 | 121,204 | 112,825 |
| Total expenses | \$ 29,089,813 | \$ 29,469,232 | \$ 121,204 | \$ 112,825 | \$ 29,211,017 | \$ 29,582,057 |
| Excess (deficiency) before transfers | \$ 2,215,405 | \$ 6,225,074 | \$ 63,724 | \$ 58,073 | \$ 2,279,129 | \$ 6,283,147 |
| Change in net position | \$ 2,215,405 | \$ 6,225,074 | \$ 63,724 | \$ 58,073 | \$ 2,279,129 | \$ 6,283,147 |
| Net assets - beginning | \$ 132,211,228 | \$ 134,637,718 | \$ 1,783,547 | \$ 1,847,271 | \$ 133,994,775 | \$ 136,484,989 |
| Prior period adjustment | 211,085 | | | | | |
| Net assets - ending | 134,637,718 | 140,862,792 | 1,847,271 | 1,905,344 | 136,273,904 | 142,768,136 |
| Change in net position | \$ 2,215,405 | \$ 6,225,074 | \$ 63,724 | \$ 58,073 | \$ 2,279,129 | \$ 6,283,147 |

Government-wide financial analysis (Continued)

For 2013 Carbon County experienced a decrease in growth totaling \$35,716,611 as reported to the State Tax Commission. This decrease in growth is due primarily to the value of centrally assessed property, which decreased \$22,842,686. Certified tax rates automatically adjust for the changes in centrally assessed property values.

Business-type activities increased Carbon County's net position by \$58,073. Key elements of this increase are shown in Table 2 Change in Net Position.

As noted earlier, Carbon County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- **Governmental funds** -The focus of Carbon County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Carbon County's financing requirements. In particular unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Carbon County's governmental funds reported combined ending fund balances of \$19,273,756, which is a decrease of \$186,869 in comparison with the prior year. Approximately, 23.02 percent or \$4,436,915 constitutes unreserved fund balance, which is available for spending at the government's discretion. The general fund is the chief operating fund of Carbon County. At the end of the current year, unreserved fund balance of the general fund was \$4,436,915.

- **Proprietary funds** - Carbon County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total unrestricted net position of the proprietary funds at year end amounted to \$1,043,059.

General Fund Budgetary Highlights

Changes from the original budget to the final are outlined below:

| <u>Function</u> | <u>Original</u> | <u>Final</u> | <u>Inc. (Dec.)</u> |
|---------------------------------------|-----------------|--------------|-----------------------|
| General Government | \$ 6,153,852 | \$ 6,200,492 | \$ 46,640 |
| Public Safety | 3,269,400 | 3,440,860 | 171,460 |
| Public Health | 365,200 | 367,700 | 2,500 |
| Highway and Public Improvements | 1,353,200 | 1,358,700 | 5,500 |
| Parks, recreation and public property | 1,378,159 | 303,400 | (1,074,759) |
| Conservation and Economic Development | 60,544 | 60,544 | |
| Contributions and miscellaneous | 191,130 | 472,664 | 281,534 |
| Other Financing Sources (Uses) | (1,005,563) | (2,839,832) | (1,834,269) |
| Net | | | <u>\$ (1,267,144)</u> |

Capital Asset and Debt Administration

Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2013, amounts to \$137,119,790 (net of accumulated depreciation). This investment in capital assets includes land, rights of way, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, and bridges. The total increases in Carbon County's governmental activities capital assets for the current year was \$5,599,931.

Carbon County's investment in capital assets for its business-type activities as of December 31, 2013, amounts to \$862,285 (net of accumulated depreciation). This investment in capital assets includes land and buildings. The total amount represents a decrease in Carbon County's business-type activities capital assets for the current year of \$3,351.

Table 3
Capital Assets at Year-end
(Net of Depreciation)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------------------|-------------------------|-----------------------|--------------------------|-------------------|-----------------------------|-----------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Right of ways | \$ 1,401,918 | \$ 1,401,918 | | | \$ 1,401,918 | \$ 1,401,918 |
| Land | 1,867,894 | 1,867,894 | \$ 198,000 | \$ 198,000 | 2,065,894 | 2,065,894 |
| Buildings | 32,572,929 | 31,879,014 | 667,636 | 664,285 | 33,240,565 | 32,543,299 |
| Improvements other than buildings | 11,476,583 | 11,400,525 | | | 11,476,583 | 11,400,525 |
| Machinery and equipment | 7,489,776 | 6,652,364 | | | 7,489,776 | 6,652,364 |
| Infrastructure | 76,009,257 | 73,556,492 | | | 76,009,257 | 73,556,492 |
| Water stock | 146,000 | 146,000 | | | 146,000 | 146,000 |
| Work in progress | 555,502 | 10,215,583 | | | 555,502 | 10,215,583 |
| | <u>\$ 131,519,859</u> | <u>\$ 137,119,790</u> | <u>\$ 865,636</u> | <u>\$ 862,285</u> | <u>\$ 132,385,495</u> | <u>\$ 137,982,075</u> |

Additional information on Carbon County's capital assets can be found in the notes to the financial statements.

Long-term debt

As presented in the schedule below, the total long-term debt of Carbon County as of December 31, 2013 was \$15,530,754, which included revenue bonds, capital leases and compensated absences.

Additional information on Carbon County's long-term debt can be found in the notes to financial statements.

Table 4
Outstanding Debt at Year-End

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------|-------------------------|----------------------|--------------------------|---------------|-----------------------------|----------------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Revenue Bonds | \$ 15,623,580 | \$ 14,837,024 | | | \$ 15,623,580 | \$ 14,837,024 |
| Compensated Absences | 719,186 | 693,730 | | | 719,186 | 693,730 |
| | <u>\$ 16,342,766</u> | <u>\$ 15,530,754</u> | <u>\$...</u> | <u>\$...</u> | <u>\$ 16,342,766</u> | <u>\$ 15,530,754</u> |

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Carbon County in 2013 was 5.91%, a decrease of 1.29% from 2012. This is higher than the state's average unemployment rate of 4.43%, but lower than the national average of 7.4%. Population in Carbon County hit a low point in 2005 of 19,205 and has shown a slight increase in the following years. Population in Carbon County was approximately 21,233 in 2013.

Coal mining and oil and gas production have struggled due to poor prices and regulation. The County is actively encouraging development throughout the County to improve the economy in 2014.

Requests for Information

This financial report is designed to provide a general overview of Carbon County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Carbon County Clerk-Auditor, 120 East Main, Price, Utah, 84501.

CARBON COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2013

| | PRIMARY GOVERNMENT | | | |
|---|---------------------------------|---------------------------------|----------------|--------------------|
| | GOVERN- MENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTAL | COMPONENT UNITS |
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 11,714,247 | \$ 1,139,532 | \$ 12,853,779 | \$ 1,293,673 |
| Restricted - Cash and cash equivalents | 3,909,631 | | 3,909,631 | 10,143,331 |
| Due from other governments | 5,188,142 | | 5,188,142 | 687,893 |
| Taxes receivable | 1,021,416 | | | |
| Inventory of supplies | 4,467 | | 4,467 | |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 1,867,894 | 198,000 | 2,065,894 | 1,681,614 |
| Rights-of-way | 1,401,918 | | 1,401,918 | 41,550 |
| Water stock | 146,000 | | 146,000 | 110,000 |
| Works of art | | | | 11,500 |
| Buildings | 31,879,014 | 664,285 | 32,543,299 | 7,006,644 |
| Improvements other than buildings | 11,400,525 | | 11,400,525 | 2,097,167 |
| Fixtures and equipment | 6,652,364 | | 6,652,364 | 432,538 |
| Work in progress | 10,215,582 | | 10,215,582 | 501,362 |
| Infrastructure | 73,556,492 | | 73,556,492 | |
| Total assets | \$ 158,957,692 | \$ 2,001,817 | \$ 159,938,093 | \$ 24,007,272 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 1,656,104 | \$ 3,524 | \$ 1,659,628 | \$ 442,150 |
| Accrued payroll | 252,565 | | 252,565 | |
| Accrued liabilities | 535,058 | | 535,058 | 6,537 |
| Due to other governments | 120,419 | | 120,419 | 1,735,838 |
| Revenue bonds payable - Due within one year | 913,336 | | 913,336 | 140,000 |
| Revenue bonds payable - Due in more than one year | 13,923,688 | | 13,923,688 | 3,780,000 |
| Compensated absences | 693,730 | | 693,730 | 2,758 |
| Total liabilities | \$ 18,094,900 | \$ 3,524 | \$ 18,098,424 | \$ 6,107,283 |
| Deferred inflow of resources | \$... | \$ 92,949 | \$ 92,949 | \$... |
| Total liabilities and inflow of resources | \$ 18,094,900 | \$ 96,473 | \$ 18,191,373 | \$ 6,107,283 |

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2013

| | <u>PRIMARY GOVERNMENT</u> | | | <u>COMPONENT UNITS</u> |
|---|--|--|-----------------------|----------------------------|
| | <u>GOVERN- MENTAL ACTIVITIES</u> | <u>BUSINESS- TYPE ACTIVITIES</u> | <u>TOTAL</u> | |
| <u>NET POSITION</u> | | | | |
| Invested in capital assets, net of related debt | \$ 122,282,765 | \$ 862,285 | \$ 123,145,050 | \$ 7,962,375 |
| Nonspendable: | | | | |
| Inventory | 4,467 | | 4,467 | |
| Restricted: | | | | |
| Class "B" roads | 2,948,763 | | 2,948,763 | |
| Economic development | 517,304 | | 517,304 | |
| Municipal services | 2,993,911 | | 2,993,911 | |
| Health care | 357,586 | | 357,586 | |
| Capital projects | 1,728,786 | | 1,728,786 | 4,641,050 |
| Landfill | 97,580 | | 97,580 | |
| Debt service | 995,629 | | 995,629 | 186,670 |
| Unrestricted | <u>8,936,001</u> | <u>1,043,059</u> | <u>9,979,060</u> | <u>5,109,894</u> |
| Total net position | <u>\$ 140,862,792</u> | <u>\$ 1,905,344</u> | <u>\$ 142,768,136</u> | <u>\$ 17,899,989</u> |

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

| Function/Programs | PROGRAM REVENUES | | | | NET (EXPENSE) REVENUE & CHANGES IN NET POSITION | | | |
|---|------------------|----------------------------|---|---|---|-----------------------------|----------------|---------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | PRIMARY GOVERNMENT | | | COMPONENTS UNITS |
| | | | | | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 6,043,704 | \$ 226,236 | | | \$ (5,817,468) | | \$ (5,817,468) | |
| Public safety | 7,301,562 | 1,779,187 | \$ 527,763 | \$ 171,399 | (4,823,213) | | (4,823,213) | |
| Highways and public improvements | 8,121,144 | 3,881,541 | 1,126,077 | 9,932,917 | 6,819,391 | | 6,819,391 | \$ (4,247,473) |
| Public health | 4,305,759 | 850,258 | 2,685,884 | | (769,617) | | (769,617) | |
| Parks and recreation | 2,638,281 | 319,274 | 310,413 | | (2,008,594) | | (2,008,594) | (3,653,314) |
| Conservation and economic development | 544,668 | | 31,200 | | (513,468) | | (513,468) | |
| Contributions and miscellaneous | 514,114 | | | | (514,114) | | (514,114) | |
| Intergovernmental | | | | | | | | (650,419) |
| Interest on long-term liabilities | | | | | | | | (6,773) |
| Total governmental activities | \$ 29,469,232 | \$ 7,056,496 | \$ 4,681,337 | \$ 10,104,316 | \$ (7,627,083) | \$... | \$ (7,627,083) | \$ (8,557,979) |
| Business-type activities: | | | | | | | | |
| County Court Complex | \$ 112,825 | \$ 170,898 | | | | \$ 58,073 | \$ 58,073 | |
| Total business-type activities | \$ 112,825 | \$ 170,898 | \$... | \$... | \$... | \$ 58,073 | \$ 58,073 | |
| Total primary government | \$ 29,582,057 | \$ 7,227,394 | \$ 4,681,337 | \$ 10,104,316 | \$ (7,627,083) | \$ 58,073 | \$ (7,569,010) | |
| Component Units: | | | | | | | | |
| Scofield Reservoir Special Service District | | | | | | | | \$ (25,153) |
| Total component units | \$... | \$... | \$... | \$... | \$... | \$... | \$... | \$ (25,153) |
| General revenues: | | | | | | | | |
| Property taxes | | | | | \$ 7,095,699 | | \$ 7,095,699 | |
| State PILT | | | | | 126,870 | | 126,870 | \$ 120,419 |
| Federal PILT | | | | | 1,049,658 | | 1,049,658 | |
| Sales taxes | | | | | 1,954,979 | | 1,954,979 | |
| Miscellaneous taxes | | | | | 262,209 | | 262,209 | |
| Unrestricted investment earnings | | | | | 53,928 | | 53,928 | 72,620 |
| Royalties and rents | | | | | 2,331,285 | | 2,331,285 | |
| Gain/(Loss) on sale of fixed assets | | | | | (41,435) | | (41,435) | (32,554) |
| Miscellaneous | | | | | 515,810 | | 515,810 | |
| Mineral reserve monies | | | | | 503,154 | | 503,154 | 5,636,675 |
| Total general revenues and transfers | | | | | \$ 13,852,157 | \$... | \$ 13,852,157 | \$ 5,797,160 |
| Change in net position | | | | | \$ 6,225,074 | \$ 58,073 | \$ 6,283,147 | \$ (2,785,972) |
| Net position - beginning | | | | | 134,637,718 | 1,847,271 | 136,484,989 | 20,685,961 |
| Net position - ending | | | | | \$ 140,862,792 | \$ 1,905,344 | \$ 142,768,136 | \$ 17,899,989 |

"The notes to the financial statements are an integral part of this statement."

**CARBON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | GENERAL FUND | SOUTHEASTERN UTAH DISTRICT HEALTH | MUNICIPAL SERVICES | CAPITAL PROJECTS FUND | BUILDING AUTHORITY | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--|---------------------|--|-----------------------|-----------------------------|-----------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 4,376,778 | | \$ 2,725,951 | \$ 1,177,553 | \$ 1,738,322 | \$ 1,695,642 | \$ 11,714,246 |
| Restricted cash and cash equivalents | | \$ 600,011 | | 205,794 | 729,697 | 2,374,129 | 3,909,631 |
| Receivables (net): | | | | | | | |
| Taxes | 973,330 | | 48,086 | | | | 1,021,416 |
| Other | 500,684 | 157,375 | 1,337,994 | 671,243 | 923,125 | 105,874 | 3,696,295 |
| Due from other government agencies | | | 1,491,847 | | | | 1,491,847 |
| Inventories | | 4,467 | | | | | 4,467 |
| Total assets | \$ 5,850,792 | \$ 761,853 | \$ 5,603,878 | \$ 2,054,590 | \$ 3,391,144 | \$ 4,175,645 | \$ 21,837,902 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 383,826 | \$ 55,365 | \$ 240,595 | \$ 325,804 | \$ 559,597 | \$ 90,917 | \$ 1,656,104 |
| Accrued payroll | 129,558 | 41,176 | 81,831 | | | | 252,565 |
| Accrued liabilities | 248,264 | 37,327 | 145,121 | | | 104,346 | 535,058 |
| Due to other governments | 120,419 | | | | | | 120,419 |
| Total liabilities | \$ 882,067 | \$ 133,868 | \$ 467,547 | \$ 325,804 | \$ 559,597 | \$ 195,263 | \$ 2,564,146 |
| Fund balances: | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | | \$ 4,467 | | | | | \$ 4,467 |
| Restricted: | | | | | | | |
| Class "B" Road | | | \$ 2,948,763 | | | | 2,948,763 |
| Debt service reserve | | | | | \$ 729,697 | | 729,697 |
| Permanent funds | | | | | | \$ 2,375,006 | 2,375,006 |
| Committed: | | | | | | | |
| Landfill | \$ 97,580 | | | | | | 97,580 |
| Municipal services | | | 2,187,568 | | | | 2,187,568 |
| Building Authority | | | | | 2,101,850 | | 2,101,850 |
| RDA Development | | | | | | 519,035 | 519,035 |
| Assigned: | | | | | | | |
| Economic Development - restaurant tax | 517,304 | | | | | 446,533 | 963,837 |
| Economic Development - other | | | | | | 23,365 | 23,365 |
| Health Care | | 357,586 | | | | | 357,586 |
| Debt service | | 265,932 | | | | | 265,932 |
| Capital projects | | | | \$ 1,728,786 | | | 1,728,786 |
| Parks and recreation | | | | | | 513,183 | 513,183 |
| Emergency services | | | | | | 19,143 | 19,143 |
| Aging programs | | | | | | 84,117 | 84,117 |
| Unassigned: | | | | | | | |
| General | 4,353,841 | | | | | | 4,353,841 |
| Total fund balances | \$ 4,968,725 | \$ 627,985 | \$ 5,136,331 | \$ 1,728,786 | \$ 2,831,547 | \$ 3,980,382 | \$ 19,273,756 |
| Total liabilities and fund balances | \$ 5,850,792 | \$ 761,853 | \$ 5,603,878 | \$ 2,054,590 | \$ 3,391,144 | \$ 4,175,645 | \$ 21,837,902 |

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
BALANCE SHEET RECONCILIATION TO
STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total fund balances - governmental fund types: \$ 19,273,756

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

| | | |
|-----------------------------------|-------------------|-------------|
| Land | \$ 1,867,894 | |
| Rights of Way | 1,401,918 | |
| Water stock | 146,000 | |
| Buildings | 31,879,014 | |
| Improvements other than buildings | 11,400,525 | |
| Fixtures and equipment | 6,652,364 | |
| Work in progress | 10,215,583 | |
| Infrastructure | <u>73,556,492</u> | |
| Total | | 137,119,790 |

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

| | | |
|---|------------------|---------------------|
| Revenue bonds payable - Due within one year | \$ (913,336) | |
| Revenue bonds payable - Due in more than one year | (13,923,688) | |
| Compensated absences | <u>(693,730)</u> | |
| Total | | <u>(15,530,754)</u> |

Net position of government activities \$ 140,862,792

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | GENERAL FUND | SOUTHEASTERN UTAH DISTRICT HEALTH | MUNICIPAL SERVICES | CAPITAL PROJECTS FUND | BUILDING AUTHORITY | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|-----------------------|--|-----------------------|-----------------------------|-----------------------|--------------------------------|--------------------------------|
| REVENUES: | | | | | | | |
| Taxes | \$ 7,736,498 | | \$ 1,332,680 | | | \$ 243,709 | \$ 9,312,887 |
| Licenses and permits | 44,694 | | 50,923 | | | | 95,617 |
| Intergovernmental revenues | 1,165,389 | \$ 2,438,196 | 6,049,475 | \$ 5,301,657 | \$ 2,815,517 | 585,651 | 18,355,885 |
| Charges for services | 1,340,235 | 667,705 | 116,952 | | | 585,518 | 2,710,410 |
| Fines and forfeitures | 231,804 | | | | | | 231,804 |
| Interest income | 33,279 | 1,257 | 8,455 | | | 10,937 | 53,928 |
| Contributions | 212,405 | | 1,000,000 | 631,859 | 314,000 | 3,650 | 2,161,914 |
| Miscellaneous | 2,751,518 | 19,693 | 111,932 | | 47,599 | 26,396 | 2,957,138 |
| Total revenues | <u>\$ 13,515,822</u> | <u>\$ 3,126,851</u> | <u>\$ 8,670,417</u> | <u>\$ 5,933,516</u> | <u>\$ 3,177,116</u> | <u>\$ 1,455,861</u> | <u>\$ 35,879,583</u> |
| EXPENDITURES: | | | | | | | |
| Current: | | | | | | | |
| General government | \$ 5,702,258 | | \$ 93,217 | | | | \$ 5,795,475 |
| Public safety | 3,357,414 | | 3,601,187 | | | \$ 221,547 | 7,180,148 |
| Highways and public improvements | 1,231,439 | | 3,200,760 | | | | 4,432,199 |
| Public health | 254,515 | \$ 3,045,414 | | | | 935,580 | 4,235,509 |
| Parks, recreation, and public property | 226,318 | | | | | 1,862,730 | 2,089,048 |
| Conservation and economic development | 60,378 | | | | | 475,228 | 535,606 |
| Capital outlay | | | | \$ 6,900,285 | \$ 3,467,396 | | 10,367,681 |
| Contributions and miscellaneous | 514,114 | | | | | | 514,114 |
| Principal retirement | | 25,672 | | | 891,000 | | 916,672 |
| Total expenditures | <u>\$ 11,346,436</u> | <u>\$ 3,071,086</u> | <u>\$ 6,895,164</u> | <u>\$ 6,900,285</u> | <u>\$ 4,358,396</u> | <u>\$ 3,495,085</u> | <u>\$ 36,066,452</u> |
| Excess revenues over (under) expenditures | <u>\$ 2,169,386</u> | <u>\$ 55,765</u> | <u>\$ 1,775,253</u> | <u>\$ (966,769)</u> | <u>\$ (1,181,280)</u> | <u>\$ (2,039,224)</u> | <u>\$ (186,869)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers in | | | | | | \$ 2,136,696 | \$ 2,136,696 |
| Transfers out | <u>\$ (2,036,696)</u> | | | | | <u>(100,000)</u> | <u>(2,136,696)</u> |
| Total other financing sources (uses) | <u>\$ (2,036,696)</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$ 2,036,696</u> | <u>\$...</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>\$ 132,690</u> | <u>\$ 55,765</u> | <u>\$ 1,775,253</u> | <u>\$ (966,769)</u> | <u>\$ (1,181,280)</u> | <u>\$ (2,528)</u> | <u>\$ (186,869)</u> |
| FUND BALANCES - beginning of year | <u>4,836,035</u> | <u>572,220</u> | <u>3,361,078</u> | <u>2,695,555</u> | <u>4,012,827</u> | <u>3,982,910</u> | <u>19,460,625</u> |
| FUND BALANCES - end of year | <u>\$ 4,968,725</u> | <u>\$ 627,985</u> | <u>\$ 5,136,331</u> | <u>\$ 1,728,786</u> | <u>\$ 2,831,547</u> | <u>\$ 3,980,382</u> | <u>\$ 19,273,756</u> |

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
STATEMENT OF CHANGES RECONCILIATION TO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|---|--------------|
| Net changes in fund balances - total governmental funds | \$ (186,869) |
|---|--------------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

| | | |
|---|--------------------|------------------------------------|
| General government | \$ 294,761 | |
| Public safety | 234,085 | |
| Public health | 42,988 | |
| Highways | 387,298 | |
| Parks and recreation | 48,692 | |
| Conservation and economic development | <u>10,034,393</u> | |
| Total assets shown as expenditures | \$ 11,042,217 | |
| Less: depreciation | <u>(5,387,125)</u> | |
| Difference between expenditure and depreciation | | 5,655,092 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to increase net position. | | (55,160) |
| The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | 786,556 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | <u>25,455</u> |
| Change in net position of governmental activities | | <u><u>\$ 6,225,074</u></u> |

"The notes to the financial statements are an integral part of this statement."

**CARBON COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND |
|---|--|
| | COUNTY COURT COMPLEX |
| <u>ASSETS</u> | |
| Current assets: | |
| Cash and cash equivalents | \$ 1,139,532 |
| Total current assets | \$ 1,139,532 |
| Noncurrent assets: | |
| Land | \$ 198,000 |
| Buildings | 1,576,152 |
| Furniture, fixtures and equipment | 326,762 |
| Less: accumulated depreciation | (1,238,629) |
| Total noncurrent assets | \$ 862,285 |
| Total assets | \$ 2,001,817 |
| <u>LIABILITIES</u> | |
| Current liabilities: | |
| Accounts payable | \$ 3,524 |
| Total current liabilities | \$ 3,524 |
| Noncurrent liabilities: | |
| Total noncurrent liabilities | \$... |
| Total liabilities | \$ 3,524 |
| Deferred inflows of resources | \$ 92,949 |
| Total liabilities and inflows of resources | \$ 96,473 |
| Net Position: | |
| Invested in capital assets, net of related debt | \$ 862,285 |
| Unrestricted | 1,043,059 |
| Total net position | \$ 1,905,344 |

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS |
|---|---|
| | COUNTY COURT COMPLEX |
| Operating revenues: | |
| Rental income | \$ 170,898 |
| Total operating revenues | \$ 170,898 |
| Operating expenses: | |
| Utilities | \$ 41,657 |
| Repairs and maintenance | 17,967 |
| Depreciation | 53,201 |
| Total operating expenses | \$ 112,825 |
| Operating income (loss) | \$ 58,073 |
| Nonoperating revenues (expenses): | |
| Total nonoperating revenues (expenses) | \$... |
| Income (loss) before contributions and transfers | \$ 58,073 |
| Change in net position | \$ 58,073 |
| Total net position - beginning | 1,847,271 |
| Total net position - ending | \$ 1,905,344 |

"The notes to the financial statements are an integral part of this statement."

**CARBON COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS |
|---|---|
| | COUNTY COURT COMPLEX |
| Cash Flows From Operating Activities: | |
| Receipts from customers | \$ 170,898 |
| Payments to suppliers | (57,117) |
| Net cash provided (used) by operating activities | <u>\$ 113,781</u> |
| Cash Flows From Capital and Related Financing Activities: | |
| Acquisition of capital assets | \$ (49,850) |
| Net cash provided (used) by capital and related financing activities | <u>\$ (49,850)</u> |
| Net increase (decrease) in cash and cash equivalents | \$ 63,931 |
| Cash and cash equivalents, January 1 | <u>1,075,601</u> |
| Cash and cash equivalents, December 31 | <u><u>\$ 1,139,532</u></u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | |
| Operating income (loss) | \$ 58,073 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | |
| Depreciation expense | \$ 53,201 |
| Increase (Decrease) in accounts payable | <u>2,507</u> |
| Total adjustments | <u>\$ 55,708</u> |
| Net cash provided (used) by operating activities | <u><u>\$ 113,781</u></u> |

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

| | <u>AGENCY FUNDS</u> |
|---------------------------------------|----------------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 4,939,532 |
| Accounts receivable | <u>115,732</u> |
| Total assets | <u><u>\$ 5,055,264</u></u> |
| <u>LIABILITIES</u> | |
| Accounts payable | \$ 2,395 |
| Precinct fees, bail and bonds payable | 55,111 |
| Due taxing units | 3,575,140 |
| Miscellaneous reimbursements | 69,801 |
| Due to other governments and agencies | <u>1,352,817</u> |
| Total liabilities | <u><u>\$ 5,055,264</u></u> |

"The notes to the financial statements are an integral part of this statement."

**CARBON COUNTY
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2013**

| | SCOFIELD RESERVIOR SPECIAL SERVICE DISTRICT | CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT | TOTAL |
|---|---|--|----------------------|
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 225,352 | \$ 1,068,321 | \$ 1,293,673 |
| Restricted - Cash and cash equivalents | | 10,143,331 | 10,143,331 |
| Accounts receivable | 7,033 | | 7,033 |
| Due from other governments | | 680,860 | 680,860 |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 16,128 | 1,665,486 | 1,681,614 |
| Rights-of-way | | 41,550 | 41,550 |
| Buildings | | 7,006,644 | 7,006,644 |
| Equipment | | 432,538 | 432,538 |
| Sewer systems and improvements | 487,750 | | 487,750 |
| Improvements other than buildings | | 1,609,417 | 1,609,417 |
| Works of art | | 11,500 | 11,500 |
| Water stock | | 110,000 | 110,000 |
| Work in progress | | 501,362 | 501,362 |
| Total assets | <u>\$ 736,263</u> | <u>\$ 23,271,009</u> | <u>\$ 24,007,272</u> |
| <u>LIABILITIES</u> | | | |
| Accounts payable | \$ 6,205 | \$ 435,945 | \$ 442,150 |
| Accrued liabilities | | 6,537 | 6,537 |
| Due to other governments | | 1,735,838 | 1,735,838 |
| Revenue bonds payable - Due within one year | | 140,000 | 140,000 |
| Revenue bonds payable - Due in more than one year | | 3,780,000 | 3,780,000 |
| Compensated absences | | 2,758 | 2,758 |
| Total liabilities | <u>\$ 6,205</u> | <u>\$ 6,101,078</u> | <u>\$ 6,107,283</u> |
| <u>NET POSITION</u> | | | |
| Invested in capital assets, net of related debt | \$ 503,878 | \$ 7,458,497 | \$ 7,962,375 |
| Restricted for: | | | |
| Debt service | | 186,670 | 186,670 |
| Capital projects | | 4,641,050 | 4,641,050 |
| Unrestricted | 226,180 | 4,883,714 | 5,109,894 |
| Total net position | <u>\$ 730,058</u> | <u>\$ 17,169,931</u> | <u>\$ 17,899,989</u> |

"The notes to the financial statements are an integral part of this statement."

**CARBON COUNTY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2013**

| Function/Programs | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS | | |
|---|------------------|----------------------------|--|--|-----------------------------|----------------|
| | EXPENSES | CHARGES FOR SERVICES | CAPITAL GRANTS AND CONTRIBUTIONS | PRIMARY GOVERNMENT | | |
| | | | | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| Governmental activities: | | | | | | |
| Carbon County Recreation & Transportation Special Service District | | | | | | |
| Highways and public improvements | \$ 4,659,165 | \$ 411,692 | | \$ (4,247,473) | | \$ (4,247,473) |
| Parks, recreation and public improvements | 3,821,501 | 140,000 | \$ 28,187 | (3,653,314) | | (3,653,314) |
| Intergovernmental | 650,419 | | | (650,419) | | (650,419) |
| Interest on long term liabilities | 6,773 | | | (6,773) | | (6,773) |
| Total governmental activities | \$ 9,137,858 | \$ 551,692 | \$ 28,187 | \$ (8,557,979) | \$... | \$ (8,557,979) |
| Business-type activities: | | | | | | |
| Scofield Reservoir Special Service District | \$ 76,648 | \$ 51,495 | | | \$ (25,153) | \$ (25,153) |
| Total business-type activities | \$ 76,648 | \$ 51,495 | \$... | \$... | \$ (25,153) | \$ (25,153) |
| Total component units | \$ 9,214,506 | \$ 603,187 | \$ 28,187 | \$ (8,557,979) | \$ (25,153) | \$ (8,583,132) |
| General revenues: | | | | | | |
| Mineral lease revenue | | | | \$ 5,636,675 | | \$ 5,636,675 |
| State PILT | | | | 120,419 | | 120,419 |
| Gain (loss) on asset disposal | | | | (32,554) | | (32,554) |
| Investment earnings | | | | 71,394 | \$ 1,226 | 72,620 |
| Total general revenues and transfers | | | | \$ 5,795,934 | \$ 1,226 | \$ 5,797,160 |
| Change in net assets | | | | \$ (2,762,045) | \$ (23,927) | \$ (2,785,972) |
| Net positon - beginning | | | | 19,931,976 | 753,985 | 20,685,961 |
| Net position - ending | | | | \$ 17,169,931 | \$ 730,058 | \$ 17,899,989 |

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Carbon County have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Certain significant changes in the Statement include the following:

- The financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the County's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all the County's activities.

- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to financial statements).

A. Reporting Entity

For financial reporting purposes, Carbon County has included all funds, organizations, account groups, agencies, boards and commissions. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific burdens on the County.

As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, which issued separate financial statements, as noted below, can be obtained from their respective administrative offices.

The following County Districts had separately issued financial statements and were audited or had financial statements compiled or reviewed by other independent auditors:

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. **Reporting Entity (Continued)**

Price River Water Improvement District and Carbon Water Conservancy District - The water conservancy districts were created for the conservation and development of the water and land resources of Utah and for the greatest beneficial use of water within the state. Water conservancy districts are created under the "Water Conservancy Act". The Districts' were audited or had financial statements compiled or reviewed by other independent auditors and issued under separate cover.

Blended Component Units

These component units are entities, which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Municipal Building Authority of Carbon County - The Municipal Building Authority of Carbon County was created by the County Commission as a body politic and corporate for the purpose of financing, owning, leasing, or operating facilities to meet the needs of the County government. It is comprised of a governing body that has been appointed by the County Commission and may be removed and replaced at any time by its discretion.

Southeastern Utah District Health - State law allows the creation of multi-county health departments. Local health departments are responsible within their boundaries for providing, directly or indirectly, basic public health services. The County Commissioner within the boundaries of the health district appoints the health district board.

Discrete Component Units

These component units are entities which are legally separate from the County, but are financially accountable to the County, or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Component Units columns of the combined financial statements include the financial data of these entities.

Scofield Reservoir Special Service District

The District was created by the Carbon County Commission under state statute. They have a seven-member board. Their primary purpose and function is to provide a waste disposal system for the residence in and around Scofield Reservoir. The District's review report can be obtained at 65 S 100 E, Price Utah 84501

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. **Reporting Entity (Continued)**

Carbon County Recreation & Transportation Special Service District

The District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appointed the District's governing board. The District was created for the purpose of providing services for recreation, transportation, garbage, fire protection, dispatch and animal control, within the District's boundaries. The District was audited and their report has been issued under separate cover from Carbon County Rec/Trans SS District, located at 65 S 100 E, Price Utah 84501

Carbon County Recreation & Transportation Special Service District LBA

The District's Local Building Authority was created by the CCR & TSSD Board as a body politic for the purpose of financing, owning, leasing, or operating facilities to meet the needs of the District. It is comprised of a governing body that has been appointed by the District Board and may be removed and replaced at any time by its discretion. The District was audited and their report can be reviewed at 65 S 100 E, Price Utah 84501

B. **Government-Wide and Fund Financial Accounting**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods and services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Direct expenses can include certain indirect costs (administrative overhead charges) that are automatically allocated to the various functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, component funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (non-major) funds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental-wide Financial Statements -The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statement, rather than as another financing source. Amounts paid to reduce long-term debt of the County are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include accumulated unpaid compensated absences and principal and interest on general long-term debt which are recognized when due.

The County reports the following major governmental funds:

- General Fund – The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.
- Southeastern Utah District Health Fund – The Southeastern Utah District Health Fund is used to account for revenues and expenditures used to provide basic public health services.
- Local Building Authority - The Local Building Authority activities encompasses various real estate properties which have been constructed and leased to other county operations and outside entities. The Authority is also involved with several road and infrastructure projects.
- Municipal Service Fund – This fund is used to account the various activities of the County including; protective services, highway and roads, etc. Major revenue sources are taxes, charges for services, state allotments, and operating grants.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

- Capital Projects Fund – The Capital Projects fund accounts for funds received from contributions, transfers and debt proceeds. These funds are then used for capital expenditures on the County.

The County's non-major governmental funds include other special revenue funds. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes.

Proprietary Fund Financial Statements – The financial statements of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing goods and services relating to the primary operations of the proprietary fund. Other revenues and expenses are reported as nonoperating.

Fiduciary Fund Financial Statements – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other organizations or individuals. These statements are reported using the economic resources measurement focus and the accrual basis of accounting.

- Agency Funds – Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Interfund Transactions – Interfund transactions represent transactions between different funds within the County. In general, interfund activity has been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenditures resulting from such transactions. Interfund services provided and used between different functional categories, however, have not been eliminated from the government-wide financial statement so as not to distort the direct costs and program revenues reported in the various functions concerned.

Transfers between governmental and business-type activities are reported at the net amount in the government-wide statement of activities. Interfund receivables and payables have been eliminated from the government-wide statement of net assets.

Program Revenues/Operating Revenues and Expenses From Non-Operating Items – Amounts reported as program revenues include 1) charges for fees, rental, material, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. **Budgetary Data**

Budgets are presented on the modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary funds. Budgets are not adopted for the agency fund. All annual appropriations lapse at fiscal year end. The following procedures are used in establishing the budgetary data reflected in the financial statements.

1. A formal budget is adopted for all funds, which require a budget: all general, special revenue, debt service, capital projects, permanent funds and enterprise funds. The budget is a complete financial plan, which identifies all estimated revenues and all appropriations for expenditure for the year. The budget must balance, that is estimated revenues and other financing sources must equal appropriated expenditures.
2. By November 1, the County Auditor submits to the Board of County Commissioners a proposed operating budget for the fiscal year for all funds beginning January 1.
3. The Board of County Commissioners discusses and approves the budget and sets a date for a public hearing on the proposed budget.
4. A public hearing is held to obtain taxpayer comments and the budget is adopted.
5. The Commission can transfer budgeted amounts between line items or departments by resolution, but any action that increases the total general fund budget must be approved by resolution only after a public hearing. (The budgets of other funds may be increased after giving public notice).

E. **Cash and Cash Equivalents and Investments**

Cash and investment management in the County is administered by the County Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah code. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund (PTIF).

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

Statements of cash flow are presented for proprietary funds under the direct method.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Inventories

Inventories are stated at the lower of cost or market, determined on a first-in, first-out basis. Inventories are accounted for under the consumption method where inventories are recorded as expenditures when consumed rather than when purchased.

G. Compensated Absences

It is the County's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. An estimate of sick leave liability and vacation pay is accrued when incurred in government-wide financial statements and proprietary funds and reported as a liability.

Employees can carry over up to 192 hours of unused vacation from one year to the next. Hours that exceed the 192 hours are lost if unused. Employees can carry over unlimited hours of unused sick leave from one year to the next. However, employees will only be paid for unused sick leave upon termination or retirement, at a rate of 4 to 1 or one month's base salary at their then current rate of pay, whichever is less.

Accrued unpaid vacation pay and other employee benefit amounts, which vest to the employee in the government-wide financial statements for governmental activities total \$693,730.

H. Long-Term Obligations

In the government-wide financial statements, and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

I. Capital Assets

Capital assets include land, rights of ways, buildings, improvements other than buildings, machinery and equipment, and infrastructure (roads and bridges). These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Assets under governmental or business activities. Proprietary fund capital assets are also reported in the appropriate fund statements. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The capitalization threshold for personal property is defined to be assets with a useful life of at least one year and costing at least \$5,000. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

When constructing capital assets, interest expense incurred relating to governmental or proprietary activities is not capitalized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

Depreciation of all exhaustible capital assets is charged as an expense against operations for proprietary funds and is charged to the various functional expenses or business-type activities in the government-wide Statement of Activities. Accumulated depreciation is reported on proprietary fund and government-wide Statement of Net Assets. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

| | |
|---------------------------|-------------|
| Buildings | 20-50 years |
| Improvements | 15-40 years |
| Equipment | 5-10 years |
| Infrastructure, (bridges) | 20-50 years |

J. Net Position/Fund Balances

The difference between assets and liabilities is "Net Position" on the government-wide and proprietary fund financial statements and "Fund Balance" on the governmental fund financial statements. Net position is divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balances are classified as reserved, unreserved designated, or unreserved undesignated. Reserves represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

| Primary Government Governmental activities: | BEGINNING BALANCE | INCREASES | DECREASES | ENDING BALANCE |
|--|------------------------------|----------------------------|---------------------------|------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,867,894 | | | \$ 1,867,894 |
| Rights of Way | 1,401,918 | | | 1,401,918 |
| Water stock | 146,000 | | | 146,000 |
| Construction in progress | <u>555,502</u> | <u>\$ 9,660,081</u> | | <u>10,215,583</u> |
| Total capital assets not not being depreciated | <u>\$ 3,971,314</u> | <u>\$ 9,660,081</u> | <u>\$...</u> | <u>\$ 13,631,395</u> |
| Capital assets being depreciated: | | | | |
| Buildings | \$ 41,787,340 | \$ 333,530 | | \$ 42,120,870 |
| Improvements other than buildings | 18,760,691 | 410,003 | | 19,170,694 |
| Machinery and equipment | 20,293,506 | 638,604 | \$ (456,289) | 20,475,821 |
| Infrastructure (Roads & Bridges) | <u>157,367,458</u> | | | <u>157,367,458</u> |
| Total capital assets being depreciated | <u>\$ 238,208,995</u> | <u>\$ 1,382,137</u> | <u>\$ (456,289)</u> | <u>\$ 239,134,843</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 9,214,411 | \$ 1,027,445 | | \$ 10,241,856 |
| Improvements other than buildings | 7,284,108 | 486,061 | | 7,770,169 |
| Machinery and equipment | 12,803,731 | 1,420,855 | \$ (401,129) | 13,823,457 |
| Infrastructure (Roads & Bridges) | <u>81,358,202</u> | <u>2,452,764</u> | | <u>83,810,966</u> |
| Total accumulated depreciation | <u>\$ 110,660,452</u> | <u>\$ 5,387,125</u> | <u>\$ (401,129)</u> | <u>\$ 115,646,448</u> |
| Total capital assets, being depreciated, net | <u>\$ 127,548,543</u> | <u>\$ (4,004,988)</u> | <u>\$ (55,160)</u> | <u>\$ 123,488,395</u> |
| Governmental activities capital assets, net | <u><u>\$ 131,519,857</u></u> | <u><u>\$ 5,655,093</u></u> | <u><u>\$ (55,160)</u></u> | <u><u>\$ 137,119,790</u></u> |

2. CAPITAL ASSETS (Continued)

| | BEGINNING BALANCE | INCREASES | DECREASES | ENDING BALANCE |
|--|----------------------|------------|-----------|-------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 198,000 | | | \$ 198,000 |
| Total capital assets not being depreciated | \$ 198,000 | \$... | \$... | \$ 198,000 |
| Capital assets being depreciated: | | | | |
| Buildings | \$ 1,576,152 | | | \$ 1,576,152 |
| Machinery and equipment | 277,182 | \$ 49,850 | | 327,032 |
| Total capital assets being depreciated | \$ 1,853,334 | \$ 49,850 | \$... | \$ 1,903,184 |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 1,043,086 | \$ 39,404 | | \$ 1,082,490 |
| Machinery and equipment | 142,342 | 13,797 | | 156,139 |
| Total accumulated depreciation | \$ 1,185,428 | \$ 53,201 | \$... | \$ 1,238,629 |
| Total capital assets, being depreciated, net | \$ 667,906 | \$ (3,351) | \$... | \$ 664,555 |
| Business-type activities capital assets, net | \$ 865,906 | \$ (3,351) | \$... | \$ 862,555 |

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

| | |
|--|--------------|
| General government | \$ 552,432 |
| Public safety | 371,513 |
| Public Health | 87,566 |
| Highways and public improvements | 4,101,915 |
| Parks and recreation | 264,637 |
| Conservation and economic development | 9,062 |
| Total depreciation expense - governmental activities | \$ 5,387,125 |

Business-type activities:

| | |
|---|-----------|
| County Court Complex | \$ 53,201 |
| Total depreciation expense - Business-Type Activities | \$ 53,201 |

| | |
|----------------------------|--------------|
| Total depreciation expense | \$ 5,440,326 |
|----------------------------|--------------|

2. CAPITAL ASSETS (Continued)

| Component units: | BEGINNING BALANCE | INCREASES | DECREASES | ENDING BALANCE |
|--|------------------------------|---------------------------|---------------------------|-----------------------------|
| Capital assets not being depreciated: | | | | |
| Land and rights of way | \$ 1,723,164 | | | \$ 1,723,164 |
| Water stock | 110,000 | | | 110,000 |
| Works of art | 11,500 | | | 11,500 |
| Work in progress | <u>357,736</u> | <u>\$ 143,626</u> | | <u>501,362</u> |
| Total capital assets not being depreciated | <u>\$ 2,202,400</u> | <u>\$ 143,626</u> | <u>\$...</u> | <u>\$ 2,346,026</u> |
| Capital assets being depreciated: | | | | |
| Buildings | \$ 7,648,130 | | | \$ 7,648,130 |
| Improvements other than buildings | 3,844,967 | \$ 89,445 | | 3,934,412 |
| Machinery and equipment | <u>871,856</u> | <u>66,236</u> | <u>\$ (135,100)</u> | <u>802,992</u> |
| Total capital assets being depreciated | <u>\$ 12,364,953</u> | <u>\$ 155,681</u> | <u>\$ (135,100)</u> | <u>\$ 12,385,534</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 450,283 | \$ 191,203 | | \$ 641,486 |
| Improvements other than buildings | 1,692,370 | 144,874 | | 1,837,244 |
| Machinery and equipment | <u>417,689</u> | <u>55,312</u> | <u>\$ (102,547)</u> | <u>370,454</u> |
| Total accumulated depreciation | <u>\$ 2,560,342</u> | <u>\$ 391,389</u> | <u>\$ (102,547)</u> | <u>\$ 2,849,184</u> |
| Total capital assets, being depreciated, net | <u>\$ 9,804,611</u> | <u>\$ (235,708)</u> | <u>\$ (32,553)</u> | <u>\$ 9,536,350</u> |
| Component units capital assets, net | <u><u>\$ 12,007,011</u></u> | <u><u>\$ (92,082)</u></u> | <u><u>\$ (32,553)</u></u> | <u><u>\$ 11,882,376</u></u> |

Depreciation expense was recorded as an expense for the following component units:

| | |
|---|--------------------------|
| Carbon County Recreation & Transportation Special Service District | \$ 358,889 |
| Scofield Reservoir Special Service District | <u>32,500</u> |
| Total depreciation expense | <u><u>\$ 391,389</u></u> |

3. LONG-TERM DEBT

Primary Government

Annual debt service requirements to maturity for bonds are as follows:

| Year Ending December 31, | Governmental Activities | | | Business-type Activities | | |
|-----------------------------|-------------------------|---------------|----------------------|--------------------------|---------------|---------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2014 | \$ 913,336 | | \$ 913,336 | | | |
| 2015 | 913,336 | | 913,336 | | | |
| 2016 | 913,336 | | 913,336 | | | |
| 2017 | 913,336 | | 913,336 | | | |
| 2018 | 910,000 | | 910,000 | | | |
| 2019-2023 | 4,545,000 | | 4,545,000 | | | |
| 2024-2028 | 3,773,695 | | 3,773,695 | | | |
| 2029-2033 | 1,023,000 | | 1,023,000 | | | |
| 2034-2038 | 595,000 | | 595,000 | | | |
| 2039-2041 | 336,985 | | 336,985 | | | |
| | <u>\$ 14,837,024</u> | <u>\$...</u> | <u>\$ 14,837,024</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> |

Revenue Bonds – Revenue Bonds payable at December 31, 2013, with their outstanding balances are comprised of the following individual issues:

CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2001A (ACTIVE RE-ENTRY BUILDING)

The Municipal Building Authority of Carbon County Utah sold \$400,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct an office building. The building will be leased to Active Re-Entry, a non-profit corporation.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|-------------------|-------------------|
| 09-01-14 | | \$ 16,000 | \$ 16,000 |
| 09-01-15 | | 16,000 | 16,000 |
| 09-01-16 | | 16,000 | 16,000 |
| 09-01-17 | | 16,000 | 16,000 |
| 09-01-18 | | 16,000 | 16,000 |
| 2019-2023 | | 80,000 | 80,000 |
| 2024-2026 | | 47,190 | 47,190 |
| | <u>\$...</u> | <u>\$ 207,190</u> | <u>\$ 207,190</u> |

3. LONG-TERM DEBT (Continued)

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2001B
(FAIRGROUNDS BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$120,000 in revenue bonds. The bonds are non-interest bearing. The proceeds will be used to construct buildings at the Carbon County Fairgrounds. The buildings will be leased to Carbon County.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|------------------|------------------|
| 09-01-14 | | \$ 6,000 | \$ 6,000 |
| 09-01-15 | | 6,000 | 6,000 |
| 09-01-16 | | 6,000 | 6,000 |
| 09-01-17 | | 6,000 | 6,000 |
| 09-01-18 | | 6,000 | 6,000 |
| 2019-2022 | | 24,000 | 24,000 |
| | <u>\$...</u> | <u>\$ 54,000</u> | <u>\$ 54,000</u> |

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006A
(EMERGENCY SERVICES BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$275,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a building to house the County's emergency service agencies.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|-------------------|-------------------|
| 01-01-14 | | \$ 14,000 | \$ 14,000 |
| 01-01-15 | | 14,000 | 14,000 |
| 01-01-16 | | 14,000 | 14,000 |
| 01-01-17 | | 14,000 | 14,000 |
| 01-01-18 | | 14,000 | 14,000 |
| 2019-2023 | | 70,000 | 70,000 |
| 2024-2027 | | 51,000 | 51,000 |
| | <u>\$...</u> | <u>\$ 191,000</u> | <u>\$ 191,000</u> |

3. **LONG-TERM DEBT (Continued)**

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006B
(EMERGENCY SERVICES BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$2,166,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a building to house the County's emergency service agencies.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|---------------------|---------------------|
| 01-01-14 | | \$ 108,000 | \$ 108,000 |
| 01-01-15 | | 108,000 | 108,000 |
| 01-01-16 | | 108,000 | 108,000 |
| 01-01-17 | | 108,000 | 108,000 |
| 01-01-18 | | 108,000 | 108,000 |
| 2019-2023 | | 540,000 | 540,000 |
| 2024-2027 | | 438,000 | 438,000 |
| | <u>\$...</u> | <u>\$ 1,518,000</u> | <u>\$ 1,518,000</u> |

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006C
(ROAD AND MAINTENANCE BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$1,525,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a new road and maintenance building to house the County's road shop and abatement functions.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|---------------------|---------------------|
| 01-01-14 | | \$ 61,000 | \$ 61,000 |
| 01-01-15 | | 61,000 | 61,000 |
| 01-01-16 | | 61,000 | 61,000 |
| 01-01-17 | | 61,000 | 61,000 |
| 01-01-18 | | 61,000 | 61,000 |
| 2019-2023 | | 305,000 | 305,000 |
| 2024-2028 | | 305,000 | 305,000 |
| 2029-2032 | | 244,000 | 244,000 |
| | <u>\$...</u> | <u>\$ 1,159,000</u> | <u>\$ 1,159,000</u> |

3. **LONG-TERM DEBT (Continued)**

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006D
(NORTH SPRINGS SHOOTING RANGE)**

The Municipal Building Authority of Carbon County Utah sold \$1,290,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a new outdoor shooting range.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|-------------------|-------------------|
| 01-01-14 | | \$ 65,000 | \$ 65,000 |
| 01-01-15 | | 65,000 | 65,000 |
| 01-01-16 | | 65,000 | 65,000 |
| 01-01-17 | | 65,000 | 65,000 |
| 01-01-18 | | 65,000 | 65,000 |
| 2019-2023 | | 325,000 | 325,000 |
| 2024-2027 | | 250,000 | 250,000 |
| | <u>\$...</u> | <u>\$ 900,000</u> | <u>\$ 900,000</u> |

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006E
(FAIRGROUNDS EXPO BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$998,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to expand the exhibition building at the County's fairgrounds.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|-------------------|-------------------|
| 01-01-14 | | \$ 50,000 | \$ 50,000 |
| 01-01-15 | | 50,000 | 50,000 |
| 01-01-16 | | 50,000 | 50,000 |
| 01-01-17 | | 50,000 | 50,000 |
| 01-01-18 | | 50,000 | 50,000 |
| 2019-2023 | | 250,000 | 250,000 |
| 2024-2027 | | 198,000 | 198,000 |
| | <u>\$...</u> | <u>\$ 698,000</u> | <u>\$ 698,000</u> |

3. **LONG-TERM DEBT (Continued)**

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE
REVENUE BONDS SERIES 2006F (DEPT. OF NATURAL RESOURCES BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$3,100,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|---------------------|---------------------|
| 04-01-14 | | \$ 155,000 | \$ 155,000 |
| 04-01-15 | | 155,000 | 155,000 |
| 04-01-16 | | 155,000 | 155,000 |
| 04-01-17 | | 155,000 | 155,000 |
| 04-01-18 | | 155,000 | 155,000 |
| 2019-2023 | | 775,000 | 775,000 |
| 2024-2027 | | 477,506 | 477,506 |
| | <u>\$...</u> | <u>\$ 2,027,506</u> | <u>\$ 2,027,506</u> |

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE
REVENUE BONDS SERIES 2007 (CONSUMER WASH ROAD)**

The Municipal Building Authority of Carbon County Utah sold \$3,000,000 in non-interest bearing revenue bonds. The proceeds will be used to purchase and reconstruct 8.75 miles of the Consumer Wash Road.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|---------------------|---------------------|
| 01-01-14 | | \$ 150,000 | \$ 150,000 |
| 01-01-15 | | 150,000 | 150,000 |
| 01-01-16 | | 150,000 | 150,000 |
| 01-01-17 | | 150,000 | 150,000 |
| 01-01-18 | | 150,000 | 150,000 |
| 2019-2023 | | 750,000 | 750,000 |
| 2024-2028 | | 750,000 | 750,000 |
| | <u>\$...</u> | <u>\$ 2,250,000</u> | <u>\$ 2,250,000</u> |

3. LONG-TERM DEBT (Continued)

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2008B (PUBLIC SERVICE ANNEX BUILDING)

The Municipal Building Authority of Carbon County Utah sold \$573,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|------------------|--------------|
| 04-01-14 | | \$ 29,000 | \$ 29,000 |
| 04-01-15 | | 29,000 | 29,000 |
| 04-01-16 | | 29,000 | 29,000 |
| 04-01-17 | | 29,000 | 29,000 |
| 04-01-18 | | 29,000 | 29,000 |
| 2019-2023 | | 144,000 | 144,000 |
| 22024-2028 | | 140,000 | 140,000 |
| 2029 | | 28,000 | 28,000 |
| | | | |
| | \$... | \$ 457,000 | \$ 457,000 |

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2008C (EQUIPMENT STORAGE SHOP)

The Municipal Building Authority of Carbon County Utah sold \$460,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|------------------|--------------|
| 10-01-14 | | \$ 23,000 | \$ 23,000 |
| 10-01-15 | | 23,000 | 23,000 |
| 10-01-16 | | 23,000 | 23,000 |
| 10-01-17 | | 23,000 | 23,000 |
| 10-01-18 | | 23,000 | 23,000 |
| 2019-2023 | | 115,000 | 115,000 |
| 2024-2028 | | 115,000 | 115,000 |
| | | | |
| | \$... | \$ 345,000 | \$ 345,000 |

3. **LONG-TERM DEBT (Continued)**

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE
REVENUE BONDS SERIES 2008 (CARBONVILLE ROAD PROJECT)**

The Municipal Building Authority of Carbon County Utah sold \$1,000,000 in revenue bonds. The proceeds from the bonds will be used to make major road improvements. The bonds are non-interest bearing.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|-------------------|-------------------|
| 01-01-14 | | \$ 40,000 | \$ 40,000 |
| 01-01-15 | | 40,000 | 40,000 |
| 01-01-16 | | 40,000 | 40,000 |
| 01-01-17 | | 40,000 | 40,000 |
| 01-01-18 | | 40,000 | 40,000 |
| 2019-2023 | | 200,000 | 200,000 |
| 2024-2028 | | 200,000 | 200,000 |
| 2029-2033 | | 200,000 | 200,000 |
| 2034 | | 40,000 | 40,000 |
| | <u>\$...</u> | <u>\$ 840,000</u> | <u>\$ 840,000</u> |

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE
REVENUE BONDS SERIES 2010 (CHILDREN’S JUSTICE CENTER BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$427,000 in revenue bonds. The proceeds from the bonds will be used to build a Children’s Justice Center Building. The bonds are non-interest bearing.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|-------------------|-------------------|
| 07-01-14 | | \$ 14,000 | \$ 14,000 |
| 07-01-15 | | 14,000 | 14,000 |
| 07-01-16 | | 14,000 | 14,000 |
| 07-01-17 | | 14,000 | 14,000 |
| 07-01-18 | | 14,000 | 14,000 |
| 2019-2023 | | 70,000 | 70,000 |
| 2024-2028 | | 70,000 | 70,000 |
| 2029-2033 | | 70,000 | 70,000 |
| 2034-2038 | | 75,000 | 75,000 |
| 2039-2040 | | 30,000 | 30,000 |
| | <u>\$...</u> | <u>\$ 385,000</u> | <u>\$ 385,000</u> |

3. **LONG-TERM DEBT (Continued)**

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE
BOND- SERIES 2011A**

The Municipal Building of Carbon County Utah sold \$1,312,000 in revenue bonds during the current year. The proceeds will used to fund projects at the Carbon County Fairgrounds.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|---------------------|---------------------|
| 07-01-14 | | \$ 44,000 | \$ 44,000 |
| 07-01-15 | | 44,000 | 44,000 |
| 07-01-16 | | 44,000 | 44,000 |
| 07-01-17 | | 44,000 | 44,000 |
| 07-01-18 | | 44,000 | 44,000 |
| 2019-2023 | | 220,000 | 220,000 |
| 2024-2028 | | 220,000 | 220,000 |
| 2029-2033 | | 220,000 | 220,000 |
| 2034-2038 | | 215,000 | 215,000 |
| 2039-2041 | | 129,000 | 129,000 |
| | <u>\$...</u> | <u>\$ 1,224,000</u> | <u>\$ 1,224,000</u> |

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE
BOND-SERIES 2011B**

The Building Authority sold \$1,250,000 in revenue bonds, to fund in part, the 9 Mile Canyon Road Project.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|---------------------|---------------------|
| 07-01-14 | | \$ 83,000 | \$ 83,000 |
| 07-01-15 | | 83,000 | 83,000 |
| 07-01-16 | | 83,000 | 83,000 |
| 07-01-17 | | 83,000 | 83,000 |
| 07-01-18 | | 83,000 | 83,000 |
| 2019-2023 | | 417,000 | 417,000 |
| 2024-2026 | | 252,000 | 252,000 |
| | <u>\$...</u> | <u>\$ 1,084,000</u> | <u>\$ 1,084,000</u> |

3. LONG-TERM DEBT (Continued)

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE BOND - SERIES 2012

The Municipal Building Authority of Carbon County Utah is in the process of selling revenue bonds in the amount of \$1,000,000. During the year, the MBA had only received \$869,884 of this total amount. The proceeds are being used to construct a new animal shelter.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|-------------------|-------------------|
| 10-01-14 | | \$ 33,000 | \$ 33,000 |
| 10-01-15 | | 33,000 | 33,000 |
| 10-01-16 | | 33,000 | 33,000 |
| 10-01-17 | | 33,000 | 33,000 |
| 10-01-18 | | 33,000 | 33,000 |
| 2019-2023 | | 165,000 | 165,000 |
| 2024-2028 | | 165,000 | 165,000 |
| 2029-2033 | | 166,000 | 166,000 |
| 2034-2038 | | 170,000 | 170,000 |
| 2039-2042 | | 136,000 | 136,000 |
| | <u>\$...</u> | <u>\$ 967,000</u> | <u>\$ 967,000</u> |

SOUTHEASTERN UTAH DISTRICT HEALTH - BUILDING CAPITAL LEASE

Southeastern Utah District Health entered into a capital lease with Grand County Building Authority for the purchase of land, building and improvements.

| <u>DATE</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
|-------------|-----------------|-------------------|-------------------|
| 01-01-14 | | \$ 22,336 | \$ 22,336 |
| 01-01-15 | | 22,336 | 22,336 |
| 01-01-16 | | 22,336 | 22,336 |
| 01-01-17 | | 22,336 | 22,336 |
| 01-01-18 | | 19,000 | 19,000 |
| 2019-2023 | | 95,000 | 95,000 |
| 2024-2028 | | 95,000 | 95,000 |
| 2029-2033 | | 95,000 | 95,000 |
| 2034-2038 | | 95,000 | 95,000 |
| 2039-2040 | | 41,984 | 41,984 |
| | <u>\$...</u> | <u>\$ 530,328</u> | <u>\$ 530,328</u> |

3. LONG-TERM DEBT (Continued)

SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

| <u>Description</u> | <u>Balance 01-01-13</u> | <u>Retired</u> | <u>Issued</u> | <u>Balance 12-31-13</u> | <u>Due Within One Year</u> |
|--------------------------------|-----------------------------|---------------------|-------------------|-----------------------------|------------------------------------|
| <u>Governmental Activities</u> | | | | | |
| Lease Revenue 2001A | \$ 223,190 | \$ (16,000) | | \$ 207,190 | \$ 16,000 |
| Lease Revenue 2001B | 60,000 | (6,000) | | 54,000 | 6,000 |
| MBA Lease Revenue 2006A | 205,000 | (14,000) | | 191,000 | 14,000 |
| MBA Lease Revenue 2006B | 1,626,000 | (108,000) | | 1,518,000 | 108,000 |
| MBA Lease Revenue 2006C | 1,220,000 | (61,000) | | 1,159,000 | 61,000 |
| MBA Lease Revenue 2006D | 965,000 | (65,000) | | 900,000 | 65,000 |
| MBA Lease Revenue 2006E | 748,000 | (50,000) | | 698,000 | 50,000 |
| MBA Lease Revenue 2006F | 2,182,506 | (155,000) | | 2,027,506 | 155,000 |
| MBA Lease Revenue 2007 | 2,400,000 | (150,000) | | 2,250,000 | 150,000 |
| MBA Lease Revenue 2008B | 486,000 | (29,000) | | 457,000 | 29,000 |
| MBA Lease Revenue 2008C | 368,000 | (23,000) | | 345,000 | 23,000 |
| MBA Lease Revenue 2008 | 880,000 | (40,000) | | 840,000 | 40,000 |
| MBA Lease Revenue 2010 | 399,000 | (14,000) | | 385,000 | 14,000 |
| MBA Lease Revenue 2011A | 1,268,000 | (44,000) | | 1,224,000 | 44,000 |
| MBA Lease Revenue 2011B | 1,167,000 | (83,000) | | 1,084,000 | 83,000 |
| MBA Lease Revenue 2012 | 869,884 | (33,000) | \$ 130,116 | 967,000 | 33,000 |
| | <u>\$ 15,067,580</u> | <u>\$ (891,000)</u> | <u>\$ 130,116</u> | <u>\$ 14,306,696</u> | <u>\$ 891,000</u> |
| <u>Governmental Activities</u> | | | | | |
| SEUDH Capital Leases: | | | | | |
| Series 2011 | \$ 556,000 | \$ (25,672) | | \$ 530,328 | \$ 22,336 |
| | <u>\$ 556,000</u> | <u>\$ (25,672)</u> | <u>\$...</u> | <u>\$ 530,328</u> | <u>\$ 22,336</u> |

3. **LONG-TERM DEBT (Continued)**

COMPONENT UNITS

Annual debt service requirements to maturity for bonds are as follows:

| <u>YEAR ENDING DECEMBER 31,</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------------------------------|---------------------|-----------------|---------------------|
| 2014 | \$ 140,000 | | \$ 140,000 |
| 2015 | 140,000 | | 140,000 |
| 2016 | 140,000 | | 140,000 |
| 2017 | 140,000 | | 140,000 |
| 2018 | 140,000 | | 140,000 |
| 2019-2023 | 700,000 | | 700,000 |
| 2024-2028 | 700,000 | | 700,000 |
| 2029-2033 | 700,000 | | 700,000 |
| 2034-2038 | 700,000 | | 700,000 |
| 2039-2041 | 420,000 | | 420,000 |
| | <u>\$ 3,920,000</u> | <u>\$...</u> | <u>\$ 3,920,000</u> |

3. LONG-TERM DEBT (Continued)

During 2009, Carbon County Recreation & Transportation Special Service District's Local Building Authority issued \$4,200,000 of Taxable Lease Revenue Bonds, Series 2009 for the construction of the Senior Citizen Center. The bonds carry an annual interest rate of 0%. The District's Local Building Authority is required to make principal payments each July 1st until the bonds mature on July 1, 2041. The repayment schedule is as follows:

| DATE PAYMENT DUE | PRINCIPAL DUE | TOTAL |
|------------------------|---------------------|---------------------|
| 2014 | \$ 140,000 | \$ 140,000 |
| 2015 | 140,000 | 140,000 |
| 2016 | 140,000 | 140,000 |
| 2017 | 140,000 | 140,000 |
| 2018 | 140,000 | 140,000 |
| 2019-2023 | 700,000 | 700,000 |
| 2024-2028 | 700,000 | 700,000 |
| 2029-2033 | 700,000 | 700,000 |
| 2034-2038 | 700,000 | 700,000 |
| 2039-2041 | 420,000 | 420,000 |
| | <u>\$ 3,920,000</u> | <u>\$ 3,920,000</u> |

SUMMARY OF NET CHANGES - COMPONENT UNITS

| Description | Balance 01-01-13 | Retired | Issued | Balance 12-31-13 | Due Within One Year |
|---|---------------------|---------------------|---------------|---------------------|---------------------------|
| Scofield Reservoir SSD Impact Bonus Loan | \$ 7,132 | \$ (7,132) | | | |
| C.C. Roads SSD Revenue Refunding Series 1994 | | | | | |
| CCR&TSSD - Hwy Rev Bond Series 1998 | 296,000 | (296,000) | | | |
| CCR&TSSD - Toll Road Revenue Bond Series 1998 | 381,000 | (381,000) | | | |
| CCR&TSSD - Local Bldg Authority Taxable Lse Rev Bond Series 2009 | 4,060,000 | (140,000) | | \$ 3,920,000 | \$ 140,000 |
| | <u>\$ 4,744,132</u> | <u>\$ (824,132)</u> | <u>\$...</u> | <u>\$ 3,920,000</u> | <u>\$ 140,000</u> |

4. DEPOSITS AND INVESTMENTS

It is the County's policy to follow the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) (the Act) in handling its depository and investment transactions. The Act creates the Utah Money Management Council (the "Council"), a five-member body, appointed by the Governor of the State, which exercises oversight of public deposits and investments.

The County maintains a cash and investment pool that is used by all funds. Each major fund's portion of this pool, and the aggregate portion of the pool relating to non-major funds, is displayed on the Balance Sheet for Governmental Funds and the Statement of Net Assets for proprietary funds, respectively, as "cash and investments." Total non-fiduciary cash and investments are also reflected on the government-wide Statement of Net Assets. The fiduciary fund's portion is found on the Statement of Fiduciary Assets and Liabilities. Income from the investment of the pooled cash is allocated based on each fund's balance in the pool. In addition, cash is separately held by several funds.

Custodial Credit Risk-Deposits

The Act requires the depositing of public funds only in a "qualified depository" or a "permitted depository". A "qualified depository" is a Utah depository institution, which complies with capital ratios and public deposit limits established by rule of the Council and which has been certified by the State Commissioner of Financial Institutions for deposit of public funds. A "permitted depository" is an out-of-state financial institution that meets quality criteria established by rule of the Council. The custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be recovered.

The County's deposits are insured up to \$250,000, per account by the Federal Deposit Insurance Corporation. The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Uninsured deposits are not collateralized nor are they required to be by State statute. At December 31, 2013, the bank balance of the County's deposits was \$3,012,173. Of this balance, \$250,000 was insured. The remaining balance, \$2,762,173 was uninsured.

Investments

Investments are recorded at fair value or at cost where there is no material difference from fair value based upon quoted market prices as of December 31, 2013, with the difference between the purchase price and market price being recorded as interest income.

The Act also defines the types of securities allowed as appropriate investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories, certified dealers, or directly with the issuer of the securities.

Allowable investments under the Act include:

- Negotiable or nonnegotiable deposits of qualified depositories and permitted depositories.
- Repurchase agreements with qualified depositories or government security dealers certified by the director of the State Division of Securities as meeting quality criteria established by the State Money Management Council.

4. **DEPOSITS AND INVESTMENTS (Continued)**

Allowable investments under the Act include (Continued):

- Commercial paper, which has a remaining term of 270 days or less, which is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Service or Standard and Poor’s.
- Bankers’ acceptances, that are eligible for discount at a Federal reserve bank, and which have a remaining term of 270 days or less.
- Obligations of the United States Treasury, including bills, notes, and bonds.
- Obligations other than mortgage pools and other mortgage derivative products issued by or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Farm Credit banks, Federal Home Loan banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Agriculture Mortgage Corporation, and Tennessee Valley Authority.
- Corporate obligations maturing in two years or less, which are rated “A” or higher by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Service or Standard and Poor’s.
- Shares or certificates in a money market mutual fund that comply with Rule 2a-7 of the Securities Exchange Commission.
- Utah Public Treasurer’s Investment Fund.

The carrying amount and fair value of the County’s investments at December 31, 2013 is as follows:

| <u>Investment Type</u> | Carrying Amount and Fair Value | Investment Maturities (in years) | | | |
|---------------------------------|--------------------------------------|----------------------------------|--------|--------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Debt Securities: | | | | | |
| Repurchase Agreements | \$ 6,487,789 | \$ 6,487,789 | | | |
| | \$ 6,487,789 | \$ 6,487,789 | \$... | \$... | \$... |
| Other Investments: | | | | | |
| Utah Public Treas. Invest. Fund | 8,319,773 | | | | |
| Total investments | \$ 14,807,562 | | | | |

4. **DEPOSITS AND INVESTMENTS (Continued)**

The Utah Public Treasurer's Investment Fund ("the Pool") is a voluntary external Local Government Investment Pool managed by the Utah State Treasurer to improve investment efficiency and yield. These monies are invested in securities permitted by the Act and contain no withdrawal restrictions other than timely notice of intent to withdraw an amount greater than \$2,000,000. Investment activity of the State Treasurer in the management of the Pool is reviewed monthly by the Council and is audited by the Utah State Auditor. Monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

Government and agency securities consist of U.S. Treasury bonds, notes and bills, Federal Home notes and government mutual funds with underlying securities that are U.S. Treasury bonds, notes and bills.

Interest Rate Risk-Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The County's policy for managing interest rate risk is to comply with the Utah Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and to 365 days or less for fixed rate negotiable deposits, and fixed rate corporate obligations. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County and Component Units follows the Utah Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The County's rated debt investments as of December 31, 2013 were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

| | Carrying Amount and Fair Value | Quality Rating |
|-------------------------------|--------------------------------------|-------------------|
| <u>Debt Securities</u> | | |
| Repurchase Agreements | \$ 6,487,789 | Not Rated |

4. **DEPOSITS AND INVESTMENTS (Continued)**

Custodial Credit Risk-Investment

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County complies with the custody requirements of the Utah Money Management Act and Rules of the Money Management Council. All investment securities are required to be held by the public treasurer, in safekeeping by a bank or trust company, or in a book-entry-only record maintained by a securities depository, in the Federal Book Entry system or in the book-entry records of the issuer of the security in the name of the public entity. All investment securities are held in a qualified depository certified by the Commissioner of Financial Institutions as adhering to the rules of the Utah Money Management Council or in the book entry records of the issuer of the security.

The County's investments at December 31, 2013 were held by the County or in the County's name by the County's custodial banks except for repurchase agreements with qualified depositories totaling \$6,487,789 where the underlying securities were uninsured and held by the investment's counterparty, not in the name of the County.

Concentration of Credit Risk-Investment

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The County's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5% and 10% depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the United States government and its agencies. The County complies with the concentration limits of Rule 17 of the Utah Money Management Act.

Total Reconciliation

| Description | Primary Government | Component Units | Fiduciary Funds |
|--|-----------------------|----------------------|---------------------|
| Cash and cash equivalents | \$ 12,629,705 | \$ 1,293,673 | \$ 4,939,532 |
| Restricted cash and cash equivalents | 3,909,631 | 10,143,331 | |
| | <u>\$ 16,539,336</u> | <u>\$ 11,437,004</u> | <u>\$ 4,939,532</u> |
| Deposits | \$ 1,731,774 | \$ 1,780,500 | \$ 1,561,834 |
| Investments (includes PTIF and Sweep accts.) | 14,807,562 | 9,656,504 | 3,377,698 |
| | <u>\$ 16,539,336</u> | <u>\$ 11,437,004</u> | <u>\$ 4,939,532</u> |

5. RETIREMENT PLAN - PRIMARY GOVERNMENT

Local Governmental – Cost Sharing

Plan Description – The County contributes to the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, administered by the Utah Retirement Systems (the Systems). The Systems provides retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (the Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory and Non-Contributory Retirement Systems and Public Safety. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-753-7361.

Funding Policy - The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The County is required to contribute a percentage of covered salary to the respective systems, as follows:

| <u>Utah Retirement Systems</u> | <u>Employee Paid</u> | <u>Paid by Employer For Employee</u> | <u>Employer Contribution Rates</u> |
|---|--------------------------|--|--|
| <u>January 2013 - June 2013</u> | | | |
| Contributory System: | | | |
| Local Governmental Division Tier 1 | | 4.01% | 12.03% |
| Local Governmental Division Tier 2 | | | 14.05% |
| Noncontributory System: | | | |
| Local Governmental Division Tier 1 | | | 16.04% |
| <u>July 2013 - December 2013</u> | | | |
| Contributory System: | | | |
| Local Governmental Division Tier 1 | | 6.00% | 13.28% |
| Local Governmental Division Tier 2 | | | 13.99% |
| Noncontributory System: | | | |
| Local Governmental Division Tier 1 | | | 17.29% |
| Public Safety System: | | | |
| Other Division A Contributory Tier 2 | | | 22.37% |
| Other Division A Noncontributory Tier 1 | | | 34.17% |

5. RETIREMENT PLAN - PRIMARY GOVERNMENT (Continued)

The required contributions and amounts paid for the 2013 calendar year and the two previous calendar years are as follows for Carbon County:

| System | Year Ended 12/31 | Employee Paid Contributions | Employer Paid For Employee Contributions | Employer Contributions | Salary Subject to Retirement Contributions |
|---|------------------------|-----------------------------------|--|---------------------------|--|
| Contributory System: | | | | | |
| Local Governmental Division Tier 1 and Tier 2 | | | | | |
| | 2013 | | \$ 21,683 | \$ 87,609 | \$ 827,463 |
| | 2012 | | 21,738 | 74,368 | 696,890 |
| | 2011 | | 21,450 | 53,995 | 539,950 |
| Noncontributory System: | | | | | |
| Local Governmental Division Tier 1 | | | | | |
| | 2013 | | | 776,991 | 4,342,168 |
| | 2012 | | | 761,201 | 4,473,316 |
| | 2011 | | | 712,745 | 4,779,829 |
| Contributory system: | | | | | |
| Public Safety Retirement System Tier 2 | | | | | |
| | 2013 | | | 8,520 | 77,317 |
| | 2012 | | | 7,849 | 70,959 |
| | 2011 | | | 5,378 | 49,144 |
| Noncontributory system: | | | | | |
| Public Safety Retirement System Tier 1 | | | | | |
| | 2013 | | | 564,891 | 1,763,853 |
| | 2012 | | | 566,685 | 1,786,830 |
| | 2011 | | | 542,264 | 1,869,557 |
| Defined Contribution System: | | | | | |
| 457 Plan | | | | | |
| | 2013 | \$ 55,164 | | | |
| | 2012 | 56,017 | | | |
| | 2011 | 56,749 | | | |
| 401(k) Plan | | | | | |
| | 2013 | 151,547 | 65,048 | | |
| | 2012 | 154,579 | 60,168 | | |
| | 2011 | 147,666 | 42,123 | | |

5. RETIREMENT PLAN - PRIMARY GOVERNMENT (Continued)

GASB 68 will be implemented by the Utah Retirement System and Carbon County in the 2014 Audit year. Based off the unaudited numbers provided by URS in their December 31, 2013 CAFR, Carbon County expects to record a net pension liability in 2014 of approximately \$5,025,955. The net pension liability amount is dependent on an assumed earnings rate. The Assumed earnings rates and Net pension Liability amounts provided for Carbon County in the Unaudited URS report were as follows: Net Pension Liability at a 6.5% Assumed earnings rate would be \$10,769,800. Net pension liability at a 7.5% assumed earnings rate would be \$5,025,955. Net pension liability at an 8.5% assumed earnings rate would be \$291,836.

SOUTHEASTERN UTAH DISTRICT HEALTH

The Health Department is required to contribute a percentage of covered salary to the respective systems, as follows:

| <u>Utah Retirement Systems</u> | <u>Employee Paid</u> | <u>Paid by Employer For Employee</u> | <u>Employer Contribution Rates</u> |
|------------------------------------|--------------------------|--|--|
| <u>January 2013 - June 2013</u> | | | |
| Contributory System: | | | |
| Local Governmental Division Tier 1 | 1.99% | 4.01% | 12.03% |
| Local Governmental Division Tier 2 | | | 14.05% |
| Noncontributory System: | | | |
| Local Governmental Division Tier 1 | | | 16.04% |
| <u>July 2013 - December 2013</u> | | | |
| Contributory System: | | | |
| Local Governmental Division Tier 1 | 1.99% | 4.01% | 13.28% |
| Local Governmental Division Tier 2 | | | 13.99% |
| Noncontributory System: | | | |
| Local Governmental Division Tier 1 | | | 17.29% |

5. RETIREMENT PLAN - PRIMARY GOVERNMENT (Continued)

The required contributions and amounts paid for the 2013 calendar year and the two previous calendar years are as follows for Southeastern Utah District Health:

| System | Year Ended 12/31 | Employee Paid Contributions | Employer Paid For Employee Contributions | Employer Contributions | Salary Subject to Retirement Contributions |
|---|------------------|-----------------------------|--|------------------------|--|
| Contributory System: | | | | | |
| Local Governmental Division Tier 1 and Tier 2 | | | | | |
| | 2013 | \$ 623 | \$ 1,263 | \$ 14,070 | \$ 146,905 |
| | 2012 | 1,578 | 3,801 | 11,519 | 125,429 |
| | 2011 | 1,423 | 4,047 | 8,717 | 91,171 |
| Noncontributory System: | | | | | |
| Local Governmental Division Tier 1 | | | | | |
| | 2013 | | | 201,633 | 1,166,954 |
| | 2012 | | | 178,295 | 1,288,078 |
| | 2011 | | | 183,981 | 1,356,077 |
| Defined Contribution System: | | | | | |
| 457 Plan | 2011 | 100 | | | |
| 401(k) Plan | 2013 | 33,771 | 25,588 | | |
| | 2012 | 45,124 | 4,316 | | |
| | 2011 | 48,694 | 6,161 | | |
| Roth IRA Plan | 2013 | 4,400 | | | |

6. CONTINGENT LIABILITIES

The County and certain of its officials are defendants in a variety of legal actions involving matters of contract, property, tort, taxation and civil rights. The resolution of these matters is not expected to have a material effect on the County's financial position and have not been provided for the accompanying financial statements.

7. PROPERTY TAXES

The County adopts, by June 22, the proposed tax rates as part of its budget for the current year, which began January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on or before November 30.

The County Treasurer collects property taxes levied by the County and other taxing entities within the County (such as the school district). These tax collections are accounted for in the Treasurer's Tax Collection Trust. The Treasurer apportions and remits collected taxes to the Funds of the County and to other taxing entities periodically.

8. OFF BALANCE SHEET RISK

Carbon County, the Primary Government, and its Component Units have many bank accounts with various banking institutions. Some of the bank account balances are substantially over \$250,000. By maintaining several accounts with the same bank with balances exceeding \$250,000, the County has amounts that exceed the FDIC insurance limitation. Consequently, there is a potential loss to the extent that amounts are not insured.

9. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1992, the County joined together with other counties in the State to form the Utah Association of Counties (UAC), a public entity risk pool currently operating as a common risk management and insurance program for member Counties. The County pays an annual premium to UAC for its general insurance coverage. The agreement for formation of the UAC provides that UAC will be self-sustaining through member premiums and will reinsure through commercial companies.

The County continues to carry commercial insurance for workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two years.

10. MUNICIPAL SOLID WASTE LANDFILLS

Carbon County has a landfill that operates within the County. The County has filed with the State for operating permits for the landfill and has received a written approval.

Carbon County has obtained information necessary to determine the nature and source of landfill closure and post closure care requirements. An amount of liability for closure and post closure care costs, estimated total current cost of closure and post closure care remaining to be recognized, percentage of landfill capacity used to date and the nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulations has been calculated by the County and the engineers. The County has set aside an amount of \$97,580 to be put into an account held by the Utah Public Treasurer's Investment Pool.

11. RECONCILIATION OF INTERFUND TRANSFERS

The following table provides a reconciliation of all interfund transfers:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------|-------------------------|--------------------------|
| General | | \$ 2,036,696 |
| Fairgrounds | \$ 705,000 | |
| Leisure services | 300,000 | |
| Travel Bureau | | 100,000 |
| COA | 618,000 | |
| Nutrition | 513,696 | |
| | <u>\$ 2,136,696</u> | <u>\$ 2,136,696</u> |

12. BUDGETARY COMPLIANCE

Unfavorable budget variances were incurred in the following funds:

GENERAL FUND -

Contributions and miscellaneous \$ 41,450

13. JOINT VENTURE

The County is a member of a joint venture known as Four Corners Community Mental Health Center.

Under Utah State Code Sections 17A-3-600 and 17A-3-700, the State has given substance abuse and mental health authorities to counties to provide mental health and substance abuse services to persons living within their boundaries. To comply with Utah State Code, Carbon, Emery and Grand counties have joined together and created Four Corners Community Mental Health Center. The Center is the entity created by the counties to hold the mental health and substance abuse authorities and provide services required by the State of Utah. The Center has been organized as a non-profit corporation and the governing boards of three counties appointed the original board of directors. The Center contracts with the counties to provide mental health and substance abuse services to the citizens of the three-county area. As part of this contract, the counties provide funds to the Center by contracting for grants with the State of Utah and passing proceeds through to the Center, and by each county making additional local contributions. Because of these agreements, the three counties have an ongoing financial responsibility.

Four Corners Community Mental Health Center, was audited for the fiscal year ended June 30, 2013, by Wiggins & Company, Ogden, Utah.

14. FUND BALANCE RESERVATIONS/NET POSITION RESTRICTIONS

GENERAL FUND –

\$504,230 is the balance of Restaurant tax collected, to be used for the promotion of tourism and related activity within the county and surrounding area.

\$27,580 is reserved to cover the estimated costs of the landfill closure at some future date.

MUNICIPAL SERVICES FUND –

\$2,142,420 is reserved for Class “B” Road expenditures for the County.

\$2,993,911 is the balance of Municipal Services Fund and has been reserved for the purpose of meeting sinking fund and reserve requirements of bond covenants.

SEU DISTRICT HEALTH DEPARTMENT –

\$357,586 is the restricted fund balance of Southeastern Utah Health District and represents amounts that are legally restricted for specific purposes by external contracts.

BUILDING AUTHORITY –

\$729,697 is for debt service requirements, \$2,101,850 is for capital expenditures

The remaining reserved fund balances simply represents the balance of funds available for expenditures related to the purpose for which the fund was created.

15. **FUND EQUITY**

In February 2009, GASB issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010. Fund balance classification changes apply only to governmental fund types; thus, only fund financial statements are affected.

Nonspendable Fund Balance – Fund balances are reported as nonspendable when they cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.

Restricted Fund Balance-Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance-Fund balances are reported as committed when the County Commission, the County's highest level of decision-making authority, formally designates the use of resources, by resolution, for a specific purpose. The same formal action must be taken to remove or change the constraints placed on the resources.

Assigned Fund Balance-Fund balances are reported as assigned when the County intends to use funds, which are neither restricted nor committed, for a specific purpose. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.

Unassigned Fund Balance-Fund balances in the general fund are reported as unassigned when they are neither, restricted, committed nor assigned. They may be used for any governmental purpose. In other governmental funds, the unassigned classification is only used to report a negative fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the unwritten policy and practice of the County to consider restricted amounts to have been spent first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the unwritten policy and practice of the County that committed amounts will be spent first, followed by assigned amounts, and then unassigned amounts.

The County has not adopted a formal policy regarding a minimum fund balance, but follows Utah State law which requires all County's to maintain a minimum general fund balance equal to 5% of total general fund revenues to be maintained and not budgeted.

16. **MAJOR CONSTRUCTION PROJECT**

During the current year (2014), the County has begun construction of a new County Building in a new location. The County has secured funding for the new building, which is comprised of a grant from the Community Impact Board (CIB) of \$6,000,900, two loans from the CIB for \$5,728,000 and \$5,745,000. The County is responsible to make a cash contribution of \$3,000,000, and inkind work of \$416,924. The estimated total cost of the project is \$20,890,824. The project is partially completed and the County has secured all funding sources.

17. USE OF ESTIMATES

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

18. SUBSEQUENT EVENTS

The County's Building Authority is involved in road construction projects located in an area called Nine Mile Canyon, which is located in the North Eastern part of the County. The Building Authority has entered into a loan from the Community Impact Board in the amount of \$6,500,000 with an interest rate of 1.5%, a grant from the Community Impact Board in the amount of \$9,750,000 and the County is required to contribute cash of \$250,000 for the purpose of road construction in the Nine Mile Canyon area. The total estimated cost incurred by the County is estimated to be \$16,500,000. The first payment on the loan is due October 1, 2015 and will conclude in 2029. Payments range from \$486,640 to \$488,215 each year.

19. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has not reported any deferred outflows in the current financial statements.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports one of these items in the business type activities - County Court Complex, which is advance payment for rent.

CARBON COUNTY

Required Supplementary Information

- EXHIBIT 13 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – General Fund
- EXHIBIT 14 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – Southeastern Utah District Health Department
- EXHIBIT 15 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – Municipal Services Fund
- EXHIBIT 16 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – Municipal Building Authority

**CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | BUDGET AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|---|----------------|--------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes: | | | | |
| General property taxes - current year | \$ 4,998,000 | \$ 4,998,935 | \$ 4,945,506 | \$ (53,429) |
| General property taxes - assessing & collecting | 961,000 | 961,000 | 855,029 | (105,971) |
| Prior year taxes - delinquent | 50,000 | 145,000 | 161,881 | 16,881 |
| General sales and use taxes | 901,500 | 900,000 | 945,365 | 45,365 |
| Fees in lieu of taxes | 600,000 | 700,000 | 810,217 | 110,217 |
| Franchise taxes | 15,000 | 15,000 | 17,945 | 2,945 |
| Miscellaneous taxes | | 1,500 | 555 | (945) |
| Total taxes | \$ 7,525,500 | \$ 7,721,435 | \$ 7,736,498 | \$ 15,063 |
| Licenses and Permits: | | | | |
| Business licenses and permits | \$ 42,000 | \$ 38,000 | \$ 37,494 | \$ (506) |
| Non-business licenses and permits | 4,000 | 4,500 | 7,200 | 2,700 |
| Total licenses and permits | \$ 46,000 | \$ 42,500 | \$ 44,694 | \$ 2,194 |
| Intergovernmental Revenues: | | | | |
| Federal sources - | | | | |
| Children's Justice | \$ 390,000 | \$ 381,192 | \$ 380,283 | \$ (909) |
| Victim's Rights | 78,200 | 78,200 | 35,436 | (42,764) |
| Forest Reserve | 1,200 | 1,200 | | (1,200) |
| Miscellaneous | 987,192 | 46,000 | 55,922 | 9,922 |
| Total federal sources | \$ 1,456,592 | \$ 506,592 | \$ 471,641 | \$ (34,951) |
| State sources - | | | | |
| Payment in lieu of tax | \$ 6,500 | \$ 6,500 | \$ 126,870 | \$ 120,370 |
| Jail reimbursements | 20,000 | 10,000 | 38,263 | 28,263 |
| EMS Grant | 40,000 | 30,000 | 25,461 | (4,539) |
| Mineral reserve funds | 900,000 | 900,000 | 503,154 | (396,846) |
| Total state sources | \$ 966,500 | \$ 946,500 | \$ 693,748 | \$ (252,752) |
| Total intergovernmental revenues | \$ 2,423,092 | \$ 1,453,092 | \$ 1,165,389 | \$ (287,703) |

The notes to the financial statements are an integral part of this statement.

CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

| | BUDGET AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|----------------------------------|----------------|---------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| Charges for Services: | | | | |
| General government - | | | | |
| Recorder fees | \$ 80,000 | \$ 100,000 | \$ 116,702 | \$ 16,702 |
| Auditor fees | 12,500 | 12,500 | 9,110 | (3,390) |
| Miscellaneous | 3,700 | 1,800 | 4,178 | 2,378 |
| Total general government | \$ 96,200 | \$ 114,300 | \$ 129,990 | \$ 15,690 |
| Public safety - | | | | |
| Jail fees | \$ 1,000 | \$ 10,000 | \$ 10,453 | \$ 453 |
| Justice court surcharge | | 12,000 | 10,772 | (1,228) |
| Court costs and fees | 77,000 | 50,000 | 56,191 | 6,191 |
| Total public safety | \$ 78,000 | \$ 72,000 | \$ 77,416 | \$ 5,416 |
| Other charges for services - | | | | |
| Parks and public property | \$ 400,000 | \$ 52,000 | \$ 57,272 | \$ 5,272 |
| Ambulance fees | 950,000 | 1,000,000 | 1,074,928 | 74,928 |
| G.I.S. fees | 300 | 2,200 | 629 | (1,571) |
| Total other charges for services | \$ 1,350,300 | \$ 1,054,200 | \$ 1,132,829 | \$ 78,629 |
| Total charges for services | \$ 1,524,500 | \$ 1,240,500 | \$ 1,340,235 | \$ 99,735 |
| Fines and Forfeitures: | | | | |
| Fines | \$ 290,000 | \$ 220,000 | \$ 231,804 | \$ 11,804 |
| Total fines and forfeitures | \$ 290,000 | \$ 220,000 | \$ 231,804 | \$ 11,804 |
| Miscellaneous Revenues: | | | | |
| Interest | \$ 45,000 | \$ 45,000 | \$ 33,279 | \$ (11,721) |
| Rents and concessions | 624,020 | 10,000 | 11,932 | 1,932 |
| Royalties and Mineral Leases | | 2,060,000 | 2,271,754 | 211,754 |
| Sale of fixed assets | | 10,000 | 13,725 | 3,725 |
| Airport fees and fuel sales | | 200,000 | 237,461 | 37,461 |
| Tippage fees - ECDC | | 60,000 | 51,568 | (8,432) |
| Sale of materials and supplies | 30,000 | 20,000 | 19,144 | (856) |
| Contributions | | 558,709 | 212,405 | (346,304) |
| Miscellaneous | | 134,020 | 145,934 | 11,914 |
| Total miscellaneous revenues | \$ 699,020 | \$ 3,097,729 | \$ 2,997,202 | \$ (100,527) |
| Total Revenues | \$ 12,508,112 | \$ 13,775,256 | \$ 13,515,822 | \$ (259,434) |

The notes to the financial statements are an integral part of this statement.

**CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | BUDGET AMOUNTS | | | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|-------------------------------|----------------|--------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL AMOUNTS | |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| Commission | \$ 422,300 | \$ 520,800 | \$ 515,458 | \$ 5,342 |
| Justice court | 275,400 | 275,400 | 274,077 | 1,323 |
| District court | | 5,000 | 4,799 | 201 |
| Public defender | 278,000 | 278,000 | 255,743 | 22,257 |
| Personel | 221,600 | 223,600 | 206,671 | 16,929 |
| Clerk/Auditor | 346,500 | 346,500 | 309,657 | 36,843 |
| Treasurer | 168,000 | 168,000 | 153,728 | 14,272 |
| Recorder | 273,900 | 273,900 | 277,083 | (3,183) |
| Attorney | 833,500 | 833,500 | 847,091 | (13,591) |
| Assessor | 458,300 | 458,300 | 434,716 | 23,584 |
| Non-Departmental | 801,900 | 777,000 | 419,446 | 357,554 |
| Data processing | 565,900 | 565,900 | 623,854 | (57,954) |
| Law library | 2,000 | | | |
| Central purchasing | 14,000 | | | |
| Micro filming | 22,800 | 22,800 | 20,546 | 2,254 |
| Central mailing | 14,000 | 28,000 | 26,362 | 1,638 |
| Communications | 160,300 | 160,300 | 132,872 | 27,428 |
| Attorney - Childrens Justice | 220,000 | 401,192 | 404,061 | (2,869) |
| Building and grounds | 245,700 | 169,600 | 150,014 | 19,586 |
| Engineering | 235,900 | 235,900 | 230,782 | 5,118 |
| Safety | 16,800 | 16,800 | 14,017 | 2,783 |
| Elections | 1,500 | 1,500 | 1,339 | 161 |
| Graphical information service | 479,452 | 342,400 | 304,233 | 38,167 |
| Industrial park | 96,100 | 96,100 | 95,709 | 391 |
| Total general government | \$ 6,153,852 | \$ 6,200,492 | \$ 5,702,258 | \$ 498,234 |
| Public Safety: | | | | |
| Victims rights | \$ 16,800 | \$ 78,260 | \$ 62,222 | \$ 16,038 |
| Dispatch | 220,000 | 300,000 | 274,548 | 25,452 |
| Ambulance service | 1,105,500 | 1,142,500 | 1,097,907 | 44,593 |
| Jail complex | 1,927,100 | 1,920,100 | 1,922,737 | (2,637) |
| Total public safety | \$ 3,269,400 | \$ 3,440,860 | \$ 3,357,414 | \$ 83,446 |

The notes to the financial statements are an integral part of this statement.

CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

| | BUDGET AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|--|----------------|---------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| Public Health: | | | | |
| Indigent | \$ 14,500 | \$ 14,500 | \$ 13,200 | \$ 1,300 |
| Public health | 125,000 | 125,000 | 124,944 | 56 |
| Mental health | 225,700 | 228,200 | 116,371 | 111,829 |
| Total public health | \$ 365,200 | \$ 367,700 | \$ 254,515 | \$ 113,185 |
| Highways and Public Improvements: | | | | |
| Landfill | \$ 348,900 | \$ 354,400 | \$ 309,817 | \$ 44,583 |
| Maintenance and abatement | 532,500 | 532,500 | 496,025 | 36,475 |
| Airport | 471,800 | 471,800 | 425,597 | 46,203 |
| Total highways and public improvements | \$ 1,353,200 | \$ 1,358,700 | \$ 1,231,439 | \$ 127,261 |
| Parks, Recreation and Public Property: | | | | |
| Recreation - Television | \$ 1,263,159 | \$ 188,400 | \$ 129,079 | \$ 59,321 |
| Library | 115,000 | 115,000 | 97,239 | 17,761 |
| Total parks, recreation and public property | \$ 1,378,159 | \$ 303,400 | \$ 226,318 | \$ 77,082 |
| Conservation and Economic Development: | | | | |
| Agriculture and extension services | \$ 60,544 | \$ 60,544 | \$ 60,378 | \$ 166 |
| Total conservation and economic development | \$ 60,544 | \$ 60,544 | \$ 60,378 | \$ 166 |
| Contributions and Miscellaneous: | | | | |
| Contributions to other governmental agencies | \$ 41,310 | \$ 322,844 | \$ 392,120 | \$ (69,276) |
| Rents | 43,820 | 43,820 | 16,000 | 27,820 |
| Miscellaneous | 106,000 | 106,000 | 105,994 | 6 |
| Total contributions and miscellaneous | \$ 191,130 | \$ 472,664 | \$ 514,114 | \$ (41,450) |
| Total expenditures | \$ 12,771,485 | \$ 12,204,360 | \$ 11,346,436 | \$ 857,924 |
| Excess of revenues over (under) expenditures | \$ (263,373) | \$ 1,570,896 | \$ 2,169,386 | \$ 598,490 |

The notes to the financial statements are an integral part of this statement.

CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

| | BUDGET AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|--|----------------|----------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | \$ (1,005,563) | \$ (2,839,832) | \$ (2,036,696) | \$ 803,136 |
| Total other financing sources (uses) | \$ (1,005,563) | \$ (2,839,832) | \$ (2,036,696) | \$ 803,136 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ (1,268,936) | \$ (1,268,936) | \$ 132,690 | \$ 1,401,626 |
| Fund balance - beginning of year | 1,268,936 | 1,268,936 | 4,836,035 | 3,567,099 |
| Fund balance - end of year | \$... | \$... | \$ 4,968,725 | \$ 4,968,725 |

The notes to the financial statements are an integral part of this statement.

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>BUDGET AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> |
|---|-----------------------|--------------|----------------|----------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>AMOUNTS</u> | <u>FINAL BUDGET</u> |
| | | | | <u>FAVORABLE</u> |
| | | | | <u>(UNFAVORABLE)</u> |
| REVENUES | | | | |
| Intergovernmental | | | | |
| Federal, State and Local funds | \$ 2,288,908 | \$ 2,334,859 | \$ 2,438,196 | \$ 103,337 |
| Total Intergovernmental | \$ 2,288,908 | \$ 2,334,859 | \$ 2,438,196 | \$ 103,337 |
| Charges for services | | | | |
| Charges for services | \$ 929,555 | \$ 904,555 | \$ 667,705 | \$ (236,850) |
| Total Charges for services | \$ 929,555 | \$ 904,555 | \$ 667,705 | \$ (236,850) |
| Miscellaneous | | | | |
| Miscellaneous | | | \$ 19,693 | \$ 19,693 |
| Investment earnings | | | 1,257 | 1,257 |
| Total miscellaneous | \$... | \$... | \$ 20,950 | \$ 20,950 |
| Total Revenues | \$ 3,218,463 | \$ 3,239,414 | \$ 3,126,851 | \$ (112,563) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public health | \$ 3,161,406 | \$ 3,085,514 | \$ 3,071,086 | \$ 14,428 |
| Total public health | \$ 3,161,406 | \$ 3,085,514 | \$ 3,071,086 | \$ 14,428 |
| Total expenditures | \$ 3,161,406 | \$ 3,085,514 | \$ 3,071,086 | \$ 14,428 |
| Excess of revenue over (under) expenditures | \$ 57,057 | \$ 153,900 | \$ 55,765 | \$ (98,135) |
| Fund balance - beginning of year | (57,057) | (153,900) | 572,220 | 726,120 |
| Fund balance - end of year | \$... | \$... | \$ 627,985 | \$ 627,985 |

"The notes to the financial statements are an integral part of this statement."

**CARBON COUNTY
MUNICIPAL SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | BUDGET AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|---|----------------------|----------------------|----------------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| Taxes | \$ 1,242,095 | \$ 1,247,095 | \$ 1,332,680 | \$ 85,585 |
| Licenses and permits | 51,500 | 51,500 | 50,923 | (577) |
| Intergovernmental | 6,276,500 | 5,690,600 | 6,049,475 | 358,875 |
| Charges for services | 97,200 | 97,200 | 116,952 | 19,752 |
| Contributions | | 1,000,000 | 1,000,000 | |
| Interest Earnings | 2,500 | 2,500 | 8,455 | 5,955 |
| Miscellaneous | | 78,660 | 111,932 | 33,272 |
| Total Revenues | <u>\$ 7,669,795</u> | <u>\$ 8,167,555</u> | <u>\$ 8,670,417</u> | <u>\$ 502,862</u> |
| EXPENDITURES: | | | | |
| General government | \$ 212,100 | \$ 113,000 | \$ 93,217 | \$ 19,783 |
| Public safety | 4,249,512 | 4,274,197 | 3,601,187 | 673,010 |
| Highways and public improvements | 3,150,000 | 3,780,358 | 3,200,760 | 579,598 |
| Total expenditures | <u>\$ 7,611,612</u> | <u>\$ 8,167,555</u> | <u>\$ 6,895,164</u> | <u>\$ 1,272,391</u> |
| Excess of revenue over (under) expenditures | <u>\$ 58,183</u> | <u>\$...</u> | <u>\$ 1,775,253</u> | <u>\$ 1,775,253</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers in | | | | |
| Operating transfers out | | | | |
| Total other financing sources (uses) | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> |
| Excess of revenue and other sources over (under) expenditures and other uses | <u>\$ 58,183</u> | | <u>\$ 1,775,253</u> | <u>\$ 1,775,253</u> |
| Fund balance - beginning of year | <u>(58,183)</u> | | <u>3,361,078</u> | <u>3,361,078</u> |
| Fund balance - end of year | <u><u>\$...</u></u> | <u><u>\$...</u></u> | <u><u>\$ 5,136,331</u></u> | <u><u>\$ 5,136,331</u></u> |

"The notes to the financial statements are an integral part of this statement."

**CARBON COUNTY
MUNICIPAL BUILDING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | BUDGET AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|---|----------------|----------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 358,000 | \$ 2,558,000 | \$ 2,815,517 | \$ 257,517 |
| Contributions | 359,000 | 359,000 | 314,000 | (45,000) |
| Miscellaneous | 180,000 | | 47,599 | 47,599 |
| Total Revenues | \$ 897,000 | \$ 2,917,000 | \$ 3,177,116 | \$ 260,116 |
| EXPENDITURES: | | | | |
| Bond principal - payments | \$ 1,184,911 | \$ 1,165,911 | \$ 858,000 | \$ 307,911 |
| Highways and public improvements | 100,000 | 4,600,000 | 3,500,396 | 1,099,604 |
| Total expenditures | \$ 1,284,911 | \$ 5,765,911 | \$ 4,358,396 | \$ 1,407,515 |
| Excess of revenue over (under) expenditures | \$ (387,911) | \$ (2,848,911) | \$ (1,181,280) | \$ 1,667,631 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | | | | |
| Total other financing sources (uses) | \$... | \$... | \$... | \$... |
| Excess of revenue and other sources over (under) expenditures and other uses | \$ (387,911) | \$ (2,848,911) | \$ (1,181,280) | \$ 1,667,631 |
| Fund balance - beginning of year | 387,911 | 2,848,911 | 4,012,827 | 1,163,916 |
| Fund balance - end of year | \$... | \$... | \$ 2,831,547 | \$ 2,831,547 |

"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
Supplementary Information

**CARBON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

| | SPECIAL REVENUE FUNDS | | | | | | | | | PERMANENT FUND | TOTAL NONMAJOR GOVERNMENTAL FUND |
|--|---------------------------------------|-------------------|-------------------------------|------------------------|-------------------------|----------------------------|------------------|------------------------|-------------------|---------------------|---|
| | CASTLE COUNTRY TRAVEL BUREAU | FAIR GROUNDS | CARBON LEISURE SERVICES | EMERGENCY TELEPHONE | CARBON COUNTY RDA | CARBON COUNTY FUTURE | R.S.V.P. | COUNCIL ON AGING | NUTRITION | TAX STABILITY | |
| <u>ASSETS</u> | | | | | | | | | | | |
| Cash and cash equivalents | \$ 455,727 | \$ 418,162 | \$ 139,973 | \$ 7,974 | \$ 519,035 | \$ 23,442 | \$ 36,962 | \$ 15,148 | \$ 79,219 | | \$ 1,695,642 |
| Restricted - cash and cash equivalents | | | | | | | | | | \$ 2,374,129 | 2,374,129 |
| Receivables - other | 27,326 | 9,395 | 27,570 | 12,839 | | | | 6,899 | 20,968 | 877 | 105,874 |
| Total assets | <u>\$ 483,053</u> | <u>\$ 427,557</u> | <u>\$ 167,543</u> | <u>\$ 20,813</u> | <u>\$ 519,035</u> | <u>\$ 23,442</u> | <u>\$ 36,962</u> | <u>\$ 22,047</u> | <u>\$ 100,187</u> | <u>\$ 2,375,006</u> | <u>\$ 4,175,645</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | | | | | | |
| LIABILITIES: | | | | | | | | | | | |
| Accounts payable | \$ 27,497 | \$ 28,009 | \$ 9,592 | \$ 1,670 | | \$ 77 | \$ 1,180 | \$ 5,052 | \$ 17,840 | | \$ 90,917 |
| Accrued liabilities | 9,023 | 20,895 | 23,421 | | | | 3,821 | 15,780 | 31,406 | | 104,346 |
| Total liabilities | <u>\$ 36,520</u> | <u>\$ 48,904</u> | <u>\$ 33,013</u> | <u>\$ 1,670</u> | <u>\$...</u> | <u>\$ 77</u> | <u>\$ 5,001</u> | <u>\$ 20,832</u> | <u>\$ 49,246</u> | <u>\$...</u> | <u>\$ 195,263</u> |
| FUND BALANCES: | | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | | |
| Special revenue fund | \$ 446,533 | \$ 378,653 | \$ 134,530 | \$ 19,143 | \$ 519,035 | \$ 23,365 | \$ 31,961 | \$ 1,215 | \$ 50,941 | | \$ 1,605,376 |
| Permanent - tax stability | | | | | | | | | | \$ 2,375,006 | 2,375,006 |
| Total fund balances | <u>\$ 446,533</u> | <u>\$ 378,653</u> | <u>\$ 134,530</u> | <u>\$ 19,143</u> | <u>\$ 519,035</u> | <u>\$ 23,365</u> | <u>\$ 31,961</u> | <u>\$ 1,215</u> | <u>\$ 50,941</u> | <u>\$ 2,375,006</u> | <u>\$ 3,980,382</u> |
| Total liabilities and fund equity | <u>\$ 483,053</u> | <u>\$ 427,557</u> | <u>\$ 167,543</u> | <u>\$ 20,813</u> | <u>\$ 519,035</u> | <u>\$ 23,442</u> | <u>\$ 36,962</u> | <u>\$ 22,047</u> | <u>\$ 100,187</u> | <u>\$ 2,375,006</u> | <u>\$ 4,175,645</u> |

CARBON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | SPECIAL REVENUE FUNDS | | | | | | | | | PERMANENT FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|---------------------------------------|-----------------|-------------------------------|------------------------|-------------------------|----------------------------|-------------|------------------------|--------------|-------------------|--|
| | CASTLE COUNTRY TRAVEL BUREAU | FAIR GROUNDS | CARBON LEISURE SERVICES | EMERGENCY TELEPHONE | CARBON COUNTY RDA | CARBON COUNTY FUTURE | R.S.V.P. | COUNCIL ON AGING | NUTRITION | TAX STABILITY | |
| REVENUES: | | | | | | | | | | | |
| Taxes | \$ 243,709 | | | | | | | | | | \$ 243,709 |
| Intergovernmental revenue | 219,633 | | \$ 89,280 | | | \$ 31,200 | \$ 65,699 | \$ 47,201 | \$ 132,638 | | 585,651 |
| Charges for services | | \$ 132,016 | 129,986 | \$ 160,656 | | | | 13,498 | 149,362 | | 585,518 |
| Contributions | | 1,500 | | | | | | 2,150 | | | 3,650 |
| Miscellaneous | 6,396 | | | | | | 20,000 | | | | 26,396 |
| Interest income | | | | 143 | | | | | | \$ 10,794 | 10,937 |
| Total revenues | \$ 469,738 | \$ 133,516 | \$ 219,266 | \$ 160,799 | \$... | \$ 31,200 | \$ 85,699 | \$ 62,849 | \$ 282,000 | \$ 10,794 | \$ 1,455,861 |
| EXPENDITURES: | | | | | | | | | | | |
| Public safety | | | | \$ 221,547 | | | | | | | \$ 221,547 |
| Parks, recreation and public property | | \$ 842,937 | \$ 544,392 | | | | | | | | 1,387,329 |
| Public health | | | | | | | \$ 96,068 | \$ 475,401 | \$ 839,512 | | 1,410,981 |
| Conservation and economic development | \$ 398,156 | | | | | \$ 77,072 | | | | | 475,228 |
| Total expenditures | \$ 398,156 | \$ 842,937 | \$ 544,392 | \$ 221,547 | \$... | \$ 77,072 | \$ 96,068 | \$ 475,401 | \$ 839,512 | \$... | \$ 3,495,085 |
| Excess of revenues over (under) expenditures | \$ 71,582 | \$ (709,421) | \$ (325,126) | \$ (60,748) | \$... | \$ (45,872) | \$ (10,369) | \$ (412,552) | \$ (557,512) | \$ 10,794 | \$ (2,039,224) |
| Other financing sources (uses): | | | | | | | | | | | |
| Transfers in | | \$ 705,000 | \$ 300,000 | | | | | \$ 618,000 | \$ 513,696 | | \$ 2,136,696 |
| Transfers out | \$ (100,000) | | | | | | | | | | (100,000) |
| Total other financing sources (uses) | \$ (100,000) | \$ 705,000 | \$ 300,000 | \$... | \$... | \$... | \$... | \$ 618,000 | \$ 513,696 | \$... | \$ 2,036,696 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ (28,418) | \$ (4,421) | \$ (25,126) | \$ (60,748) | | \$ (45,872) | \$ (10,369) | \$ 205,448 | \$ (43,816) | \$ 10,794 | \$ (2,528) |
| Fund Balances - Beginning of year | 474,951 | 383,074 | 159,656 | 79,891 | \$ 519,035 | 69,237 | 42,330 | (204,233) | 94,757 | 2,364,212 | 3,982,910 |
| Fund Balances - End of year | \$ 446,533 | \$ 378,653 | \$ 134,530 | \$ 19,143 | \$ 519,035 | \$ 23,365 | \$ 31,961 | \$ 1,215 | \$ 50,941 | \$ 2,375,006 | \$ 3,980,382 |

CARBON COUNTY
COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2013

| | HEUGLY AND CARBON COUNTY | SOUTHEASTERN UTAH DISTRICT HEALTH | FOUR CORNERS COMMUNITY BEHAVIORAL HEALTH | DISTRICT AND PRECINCT COURT | CLERK'S TRUST | COLLECTION TRUST | TOTAL ALL FIDUCIARY FUNDS |
|---------------------------------------|--------------------------------|--|---|-----------------------------------|------------------|---------------------|------------------------------------|
| <u>ASSETS</u> | | | | | | | |
| Cash and cash equivalents | \$ 21,250 | \$ 515,263 | \$ 722,985 | \$ 35,093 | \$ 69,801 | \$ 3,575,140 | \$ 4,939,532 |
| Accounts receivable | | 29,744 | 85,988 | | | | 115,732 |
| Total assets | <u>\$ 21,250</u> | <u>\$ 545,007</u> | <u>\$ 808,973</u> | <u>\$ 35,093</u> | <u>\$ 69,801</u> | <u>\$ 3,575,140</u> | <u>\$ 5,055,264</u> |
| <u>LIABILITIES</u> | | | | | | | |
| Accounts payable | | | \$ 1,163 | \$ 1,232 | | | \$ 2,395 |
| Precinct fees, bail and bonds payable | \$ 21,250 | | | 33,861 | | | 55,111 |
| Due to taxing units | | | | | | \$ 3,575,140 | 3,575,140 |
| Miscellaneous reimbursements | | | | | \$ 69,801 | | 69,801 |
| Due to other agencies | | \$ 545,007 | 807,810 | | | | 1,352,817 |
| Total liabilities | <u>\$ 21,250</u> | <u>\$ 545,007</u> | <u>\$ 808,973</u> | <u>\$ 35,093</u> | <u>\$ 69,801</u> | <u>\$ 3,575,140</u> | <u>\$ 5,055,264</u> |

CARBON COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
DECEMBER 31, 2013

| TAX UNITS | ADJUSTED TAXABLE VALUE | TAX RATE | TOTAL TAXES LEVIED | TREASURER'S RELIEF | | | | NET TAXES COLLECTED | PERCENT | OTHER COLLECTIONS | | |
|-------------------------------|------------------------------|-------------|--------------------------|--------------------|-------------------|----------------------|-------------------|---------------------------|---------|---------------------|-------------------|---|
| | | | | UNPAID TAXES | ABATEMENTS | OTHER ADJUSTMENTS | TOTAL RELIEF | | | FEES IN LIEU | MISCELLANEOUS | DELINQUENCIES TAXES PENALTY AND INTEREST |
| COUNTY FUNDS: | | | | | | | | | | | | |
| General fund | \$ 1,989,615,509 | 0.002689 | \$ 5,342,656 | \$ 149,068 | \$ 36,864 | \$ (19,670) | \$ 166,262 | \$ 5,176,394 | 96.89% | \$ 358,085 | \$ 33,726 | \$ 157,220 |
| Municipal services | 1,381,200,336 | 0.000227 | 313,093 | 7,705 | 1,123 | 1,564 | 10,392 | 302,701 | 96.68% | 19,005 | 2,205 | 5,149 |
| Assessing and collecting | 1,991,086,463 | 0.000158 | 315,808 | 8,759 | 2,166 | 3,693 | 14,618 | 301,190 | 95.37% | 21,040 | 2,123 | 7,658 |
| Local and collecting | 1,991,086,463 | 0.000345 | 686,073 | 19,126 | 4,730 | 3,662 | 27,518 | 658,555 | 95.99% | 45,942 | 4,335 | 15,466 |
| Total County Funds | | | \$ 6,657,630 | \$ 184,658 | \$ 44,883 | \$ (10,751) | \$ 218,790 | \$ 6,438,840 | | \$ 444,072 | \$ 42,389 | \$ 185,493 |
| SCHOOL DISTRICT: | | | | | | | | | | | | |
| Carbon | | | | | | | | | | | | |
| Grouped budgets | 1,989,615,509 | 0.005651 | \$ 11,200,014 | \$ 313,271 | \$ 77,470 | \$ 68,550 | \$ 459,291 | \$ 10,740,723 | 95.90% | \$ 752,524 | \$ 68,182 | \$ 289,104 |
| Basic school levy | 1,991,086,463 | 0.001535 | 3,070,428 | 85,095 | 21,043 | 38,756 | 144,894 | 2,925,534 | 95.28% | 204,411 | 20,836 | 74,302 |
| CITIES AND TOWNS: | | | | | | | | | | | | |
| Price City | 373,886,531 | 0.002064 | \$ 775,017 | \$ 19,043 | \$ 11,771 | \$ 7,221 | \$ 38,035 | \$ 736,982 | 95.09% | \$ 65,336 | \$ 2,325 | \$ 26,442 |
| Helper City | 78,397,693 | 0.003125 | 244,965 | 12,635 | 4,826 | 6,553 | 24,014 | 220,951 | 90.20% | 23,518 | 2,578 | 9,568 |
| East Carbon City | 50,181,899 | 0.005964 | 299,178 | 22,460 | 3,721 | 5,021 | 31,202 | 267,976 | 89.57% | 17,121 | 1,268 | 19,789 |
| Wellington City | 61,356,913 | 0.001859 | 113,688 | 5,976 | 1,348 | (229) | 7,095 | 106,593 | 93.76% | 12,073 | 567 | 4,074 |
| Sunnyside | 37,538,824 | 0.008285 | 301,232 | 7,741 | 1,164 | (2,620) | 6,285 | 294,947 | 97.91% | 6,441 | 1,880 | 5,386 |
| Scofield Town | 8,496,114 | 0.000494 | 4,196 | 153 | 12 | 15 | 180 | 4,016 | 95.71% | 60 | 28 | 281 |
| Total Cities and Towns | | | \$ 1,738,276 | \$ 68,008 | \$ 22,842 | \$ 15,961 | \$ 106,811 | \$ 1,631,465 | | \$ 124,549 | \$ 8,646 | \$ 65,540 |
| OTHER DISTRICTS: | | | | | | | | | | | | |
| Price River Water Improvement | 1,112,551,274 | 0.000881 | \$ 980,219 | \$ 24,153 | \$ 11,383 | \$ 8,223 | \$ 43,759 | \$ 936,460 | 95.54% | \$ 113,947 | \$ 5,745 | \$ 25,650 |
| Carbon Water Conservancy | 1,991,086,463 | 0.000139 | 276,396 | 7,706 | 1,906 | 1,448 | 11,060 | 265,336 | 96.00% | 18,510 | 1,745 | 6,232 |
| Total Other Districts | | | \$ 1,256,615 | \$ 31,859 | \$ 13,289 | \$ 9,671 | \$ 54,819 | \$ 1,201,796 | | \$ 132,457 | \$ 7,490 | \$ 31,882 |
| GRAND TOTAL | | | \$ 23,922,963 | \$ 682,891 | \$ 179,527 | \$ 122,187 | \$ 984,605 | \$ 22,938,358 | | \$ 1,658,013 | \$ 147,543 | \$ 646,321 |

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | GENERAL HEALTH | IMMUNIZATIONS NON VFC | WIC | MCH BLOCK | FLU |
|---------------------------------------|---------------------------|----------------------------------|-------------------|----------------------|------------------|
| Revenues: | | | | | |
| State Reimbursement | \$ 234,276 | \$ 73,219 | \$ 510,477 | \$ 107,003 | \$ 64,444 |
| General Health | 157,896 | | | | |
| County | 354,555 | | | | |
| School Nurses | | | | | |
| Miscellaneous | 26,662 | | | | |
| Occupancy allocation | 2,497 | 160 | 2,429 | 413 | 119 |
| Grants and other government resources | | | | | |
| Total Revenues | \$ 775,886 | \$ 73,379 | \$ 512,906 | \$ 107,416 | \$ 64,563 |
| Expenditures: | | | | | |
| Salaries | \$ 270,093 | \$ 17,498 | \$ 279,459 | \$ 45,687 | \$ 13,578 |
| Fringe Benefits | 186,150 | 9,287 | 149,477 | 24,318 | 7,356 |
| Consultants | 4,355 | 214 | 4,423 | 427 | 60 |
| Contract - MD | | | | | |
| Contract - Travel | | | | | |
| Patient care | | | | 10,860 | |
| Pharmacy | | 60,395 | | 4,940 | 28,640 |
| Supplies - Medical | 627 | 1,178 | 1,996 | 847 | 1,668 |
| Travel | 13,775 | 201 | 7,186 | 1,616 | 95 |
| Dues - Periodicals | 4,294 | 172 | 3,444 | 537 | 16 |
| Education - Training | 4,393 | 60 | 1,299 | 1,140 | 3 |
| Capital Purchases | 42,988 | | | | |
| Utilities | 7,380 | 463 | 7,356 | 1,202 | 351 |
| Maintenance - Repairs | 8,707 | 527 | 8,819 | 1,398 | 438 |
| Insurance | 4,636 | 295 | 4,271 | 1,213 | 95 |
| Data Processing | 3,770 | 925 | 3,300 | 893 | 1,311 |
| Postage | 1,915 | 85 | 1,598 | 287 | 69 |
| Printing - Binding | 1,461 | | 270 | | |
| Supplies - Office | 3,355 | 344 | 9,897 | 3,531 | 58 |
| Laboratory | 3,398 | | | | |
| Telephone | 5,647 | 311 | 8,389 | 806 | 238 |
| Other | 5,451 | 100 | 2,985 | 789 | 92 |
| Debt payment | 25,672 | | | | |
| State match | | | | | |
| Rent | 117 | 7 | 114 | 19 | 9 |
| Advertising | 387 | 16 | 258 | 2,807 | 8 |
| Mini Grants | | | | | |
| Total Expenditures | \$ 598,571 | \$ 92,078 | \$ 494,541 | \$ 103,317 | \$ 54,085 |
| Net Revenues/(Expenditures) | \$ 177,315 | \$ (18,699) | \$ 18,365 | \$ 4,099 | \$ 10,478 |

SCHEDULE 5
(Continued)

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>TOBACCO PREVENTION</u> | <u>INDOOR CLEAN AIR</u> | <u>POISON CONTROL</u> | <u>TUBERCULOSIS ELIMINATION</u> | <u>EARLY HEADSTART</u> | <u>SENIOR HEALTH</u> |
|---------------------------------------|--------------------------------------|--|----------------------------------|--|-----------------------------------|---------------------------------|
| Revenues: | | | | | | |
| State Reimbursement | \$ 188,026 | \$ 340 | \$ 2,500 | \$ 7,771 | | \$ 3,153 |
| General Health | 1,138 | | | | \$ 22 | |
| County | | | | | | |
| School Nurses | | | | | | |
| Miscellaneous | | | | | | |
| Occupancy allocation | 645 | 8 | 8 | 39 | 2 | 3 |
| Grants and other government resources | | | | | | |
| Total Revenues | <u>\$ 189,809</u> | <u>\$ 348</u> | <u>\$ 2,508</u> | <u>\$ 7,810</u> | <u>\$ 24</u> | <u>\$ 3,156</u> |
| Expenditures: | | | | | | |
| Salaries | \$ 77,995 | \$ 630 | \$ 910 | \$ 4,297 | \$ 270 | \$ 280 |
| Fringe Benefits | 41,513 | 335 | 453 | 2,398 | 137 | 166 |
| Consultants | 658 | 2 | 7 | 32 | 1 | 1 |
| Contract - MD | | | | | | |
| Contract - Travel | | | | | | |
| Patient Care | | | | | | |
| Pharmacy | | | | 2 | | |
| Supplies - Medical | | | | | | |
| Travel | 9,623 | 4 | 7 | 40 | 20 | 2 |
| Dues - Periodicals | 602 | 3 | 4 | 20 | | |
| Education - Training | 7,620 | | 2 | 8 | | |
| Capital Purchases | | | | | | |
| Utilities | 2,103 | 20 | 25 | 114 | 7 | 8 |
| Maintenance - Repairs | 2,490 | 22 | 27 | 136 | 7 | 9 |
| Insurance | 1,385 | 61 | 14 | 93 | | 42 |
| Data Processing | 1,075 | 9 | 10 | 244 | 4 | 5 |
| Postage | 466 | 3 | 3 | 21 | | 2 |
| Printing - Binding | 259 | | | | | |
| Supplies - Office | 7,340 | 4 | 5 | 21 | 1 | 1 |
| Laboratory | | | | | | |
| Telephone | 2,324 | 12 | 16 | 77 | 5 | 5 |
| Other | 5,649 | 3 | 5 | 23 | 1 | 1,327 |
| Debt payment | | | | | | |
| State match | | | | | | |
| Rent | 34 | | 1 | 2 | | |
| Advertising | 33,750 | 1 | 1 | 4 | | 1 |
| Mini Grants | 9,100 | | | | | |
| Total Expenditures | <u>\$ 203,986</u> | <u>\$ 1,109</u> | <u>\$ 1,490</u> | <u>\$ 7,532</u> | <u>\$ 453</u> | <u>\$ 1,849</u> |
| Net Revenues/(Expenditures) | <u>\$ (14,177)</u> | <u>\$ (761)</u> | <u>\$ 1,018</u> | <u>\$ 278</u> | <u>\$ (429)</u> | <u>\$ 1,307</u> |

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>IMMUNIZATIONS</u> | <u>STD</u> | <u>PREVENTION BLOCK</u> | <u>HIV</u> | <u>ENVIRON- MENTAL HEALTH CHS</u> | <u>MONTICELLO STUDY</u> |
|---------------------------------------|----------------------|------------|-----------------------------|------------|---|-----------------------------|
| Revenues: | | | | | | |
| State Reimbursement | \$ 81,590 | \$ 1,000 | \$ 98,423 | \$ 1,020 | \$ 12,500 | \$ 141,515 |
| General Health | | | | | 83,580 | |
| County | | | | | | |
| School Nurses | | | | | | |
| Miscellaneous | | | | | | |
| Occupancy allocation | 609 | 46 | 342 | 12 | 851 | 139 |
| Grants and other government resources | 61,909 | | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenues | \$ 144,108 | \$ 1,046 | \$ 98,765 | \$ 1,032 | \$ 96,931 | \$ 141,654 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditures: | | | | | | |
| Salaries | \$ 73,084 | \$ 6,114 | \$ 38,917 | \$ 1,277 | \$ 99,860 | \$ 13,963 |
| Fringe Benefits | 38,825 | 3,416 | 20,707 | 696 | 52,946 | 6,833 |
| Consultants | 717 | 54 | 444 | 13 | 1,068 | 149 |
| Contract - MD | | | | | | |
| Contract - Travel | | | | | | |
| Patient Care | | | | | | 84,080 |
| Pharmacy | | | | | | 3,806 |
| Supplies - Medical | 1,595 | | 109 | | | |
| Travel | 1,236 | 61 | 4,201 | 14 | 5,711 | 28,577 |
| Dues - Periodicals | 700 | 64 | 512 | 7 | 1,051 | 105 |
| Education - Training | 157 | 9 | 6,260 | 3 | 250 | 871 |
| Capital Purchases | | | | | | |
| Utilities | 1,964 | 164 | 1,032 | 34 | 2,783 | 392 |
| Maintenance - Repairs | 2,351 | 201 | 1,798 | 42 | 3,322 | 439 |
| Insurance | 1,191 | 155 | 330 | 39 | 1,650 | 481 |
| Data Processing | 3,264 | 70 | 500 | 15 | 1,315 | 185 |
| Postage | 412 | 41 | 216 | 8 | 559 | 78 |
| Printing - Binding | 339 | | 42 | | | |
| Supplies - Office | 12,554 | 30 | 969 | 8 | 653 | 85 |
| Laboratory | | | | | | |
| Telephone | 1,320 | 107 | 711 | 22 | 1,871 | 265 |
| Other | 423 | 39 | 3,940 | 24 | 587 | 774 |
| Debt payment | | | | | | |
| State match | | | | | | |
| Rent | 33 | 3 | 15 | 1 | 43 | 7 |
| Advertising | 3,908 | 6 | 1,334 | 1 | 98 | 874 |
| Mini Grants | | | 12,985 | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Expenditures | \$ 144,073 | \$ 10,534 | \$ 95,022 | \$ 2,204 | \$ 173,767 | \$ 141,964 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Revenues/(Expenditures) | \$ 35 | \$ (9,488) | \$ 3,743 | \$ (1,172) | \$ (76,836) | \$ (310) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>TOBACCO BUYS</u> | <u>EPSDT/ CHEC</u> | <u>TABACCO CONTROL</u> | <u>ALL COUNTIES SCHOOL NURSE</u> | <u>NEWBORN CARE</u> |
|---------------------------------------|---------------------|------------------------|----------------------------|--------------------------------------|-------------------------|
| Revenues: | | | | | |
| State Reimbursement | \$ 14,431 | \$ 30,030 | \$ 27,942 | | \$ 38,909 |
| General Health | 189 | | | | |
| County | | | | | |
| School Nurses | | | | \$ 98,939 | |
| Miscellaneous | | | | | |
| Occupancy allocation | 51 | 124 | 90 | 443 | 88 |
| Grants and other government resources | | | | | |
| Total Revenues | <u>\$ 14,671</u> | <u>\$ 30,154</u> | <u>\$ 28,032</u> | <u>\$ 99,382</u> | <u>\$ 38,997</u> |
| Expenditures: | | | | | |
| Salaries | \$ 6,357 | \$ 15,363 | \$ 9,180 | \$ 62,610 | \$ 11,497 |
| Fringe Benefits | 3,151 | 8,265 | 4,964 | 33,876 | 6,103 |
| Consultants | 106 | 140 | 2,448 | 297 | 85 |
| Contract - MD | | | | | |
| Contract - Travel | | | | | |
| Patient Care | | | | | |
| Pharmacy | | | | | |
| Supplies - Medical | 3,795 | 1,426 | | | |
| Travel | 678 | 201 | 296 | 1,531 | 255 |
| Dues - Periodicals | 31 | 151 | 48 | 476 | 74 |
| Education - Training | 29 | 31 | 1,363 | 355 | 14 |
| Capital Purchases | | | | | |
| Utilities | 174 | 417 | 265 | 1,632 | 299 |
| Maintenance - Repairs | 253 | 498 | 267 | 1,968 | 386 |
| Insurance | 38 | 279 | 229 | 1,226 | 111 |
| Data Processing | 54 | 642 | 121 | 769 | 262 |
| Postage | 42 | 85 | 44 | 316 | 61 |
| Printing - Binding | | | 107 | | |
| Supplies - Office | 30 | 753 | 3,254 | 314 | 54 |
| Laboratory | | | | | |
| Telephone | 104 | 287 | 182 | 1,829 | 199 |
| Other | 64 | 550 | 212 | 381 | 72 |
| Debt payment | | | | | |
| State match | | | | | 11,788 |
| Rent | 2 | 7 | 4 | 29 | 5 |
| Advertising | 10 | 13 | 7,428 | 68 | 12 |
| Mini Grants | | | | | |
| Total Expenditures | <u>\$ 14,918</u> | <u>\$ 29,108</u> | <u>\$ 30,412</u> | <u>\$ 107,677</u> | <u>\$ 31,277</u> |
| Net Revenues/(Expenditures) | <u>\$ (247)</u> | <u>\$ 1,046</u> | <u>\$ (2,380)</u> | <u>\$ (8,295)</u> | <u>\$ 7,720</u> |

SCHEDULE 5
(Continued)

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | CASH PRENATAL TO AGE 5 | HIGHWAY SAFETY | COMMUNITY TRANSFORM | ASPR MRC | ASPR HPP |
|---------------------------------------|-----------------------------------|---------------------------|--------------------------------|------------------|------------------|
| Revenues: | | | | | |
| State Reimbursement | \$ 16,000 | \$ 7,984 | \$ 43,425 | \$ 11,643 | \$ 73,048 |
| General Health | | | | | |
| County | | | | | |
| School Nurses | | | | | |
| Miscellaneous | | | | | |
| Occupancy allocation | 108 | 15 | 245 | 33 | 233 |
| Grants and other government resources | | | | | |
| Total Revenues | <u>\$ 16,108</u> | <u>\$ 7,999</u> | <u>\$ 43,670</u> | <u>\$ 11,676</u> | <u>\$ 73,281</u> |
| Expenditures: | | | | | |
| Salaries | \$ 11,169 | \$ 3,940 | \$ 22,025 | \$ 4,771 | \$ 28,270 |
| Fringe Benefits | 5,960 | 2,084 | 11,655 | 2,404 | 15,372 |
| Consultants | 135 | 36 | 361 | 50 | 191 |
| Contract - MD | | | 484 | | |
| Contract - Travel | | | | | |
| Patient Care | | | | | |
| Pharmacy | | | | | |
| Supplies - Medical | | | | | |
| Travel | 126 | 2,348 | 2,536 | 574 | 5,243 |
| Dues - Periodicals | 119 | 63 | 159 | 46 | 180 |
| Education - Training | 38 | 205 | 2,251 | 799 | 2,762 |
| Capital Purchases | | | | 6 | |
| Utilities | 294 | 118 | 603 | 132 | 793 |
| Maintenance - Repairs | 339 | 133 | 710 | 163 | 970 |
| Insurance | 263 | 31 | 345 | 13 | 717 |
| Data Processing | 133 | 67 | 238 | 46 | 389 |
| Postage | 57 | 14 | 112 | 28 | 154 |
| Printing - Binding | | | | | |
| Supplies - Office | 63 | 269 | 719 | 699 | 7,049 |
| Laboratory | | | | | |
| Telephone | 199 | 82 | 401 | 85 | 2,411 |
| Other | 55 | 518 | | 1,535 | 6,786 |
| Debt payment | | | | | |
| State match | | | | | |
| Rent | 5 | 1 | 11 | 2 | 14 |
| Advertising | 10 | 1,001 | 603 | | 29 |
| Mini Grants | | | | | |
| Total Expenditures | <u>\$ 18,965</u> | <u>\$ 10,910</u> | <u>\$ 43,213</u> | <u>\$ 11,353</u> | <u>\$ 71,330</u> |
| Net Revenues/(Expenditures) | <u>\$ (2,857)</u> | <u>\$ (2,911)</u> | <u>\$ 457</u> | <u>\$ 323</u> | <u>\$ 1,951</u> |

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>EPIDEMIOLOGY</u> | <u>PREPAREDNESS RESPONSE</u> | <u>CASE MANAGEMENT</u> | <u>ENVIRONMENTAL HEALTH DEQ</u> | <u>COMMUNITY BASED SERVICES</u> | <u>TOTAL</u> |
|---------------------------------------|---------------------|----------------------------------|----------------------------|-------------------------------------|---|------------------|
| Revenues: | | | | | | |
| State Reimbursement | | \$ 294,986 | \$ 55,561 | \$ 127,729 | \$ 60,920 | \$ 2,329,865 |
| General Health | | | | | | 242,825 |
| County | | | | | | 354,555 |
| School Nurses | | | | | | 98,939 |
| Miscellaneous | | | | | | 26,662 |
| Occupancy allocation | | 1,028 | 274 | 620 | 422 | 12,096 |
| Grants and other government resources | | | | | | 61,909 |
| Total Revenues | <u>\$</u> | <u>296,014</u> | <u>55,835</u> | <u>128,349</u> | <u>61,342</u> | <u>3,126,851</u> |
| Expenditures: | | | | | | |
| Salaries | | \$ 106,199 | \$ 31,361 | \$ 67,214 | \$ 45,567 | \$ 1,369,435 |
| Fringe Benefits | | 56,202 | 16,541 | 36,723 | 24,610 | 772,923 |
| Consultants | | 1,485 | 331 | 835 | 216 | 19,341 |
| Contract - MD | | | | | | |
| Contract - Travel | | | | | | |
| Patient Care | | | | | | 94,940 |
| Pharmacy | | | | | | 97,783 |
| Supplies - Medical | | | | | | 13,241 |
| Travel | | 27,412 | 369 | 3,703 | 119 | 117,760 |
| Dues - Periodicals | | 1,030 | 308 | 516 | 239 | 14,971 |
| Education - Training | | 6,079 | 77 | 237 | 136 | 36,451 |
| Capital Purchases | | 6,572 | | | | 49,566 |
| Utilities | | 2,919 | 874 | 1,839 | 1,224 | 36,981 |
| Maintenance - Repairs | | 4,274 | 1,025 | 2,186 | 1,364 | 45,269 |
| Insurance | | 1,469 | 572 | 386 | 1,949 | 23,579 |
| Data Processing | | 13,027 | 398 | 807 | 617 | 34,465 |
| Postage | | 584 | 166 | 403 | 248 | 8,077 |
| Printing - Binding | | | | | | 2,478 |
| Supplies - Office | | 44,495 | 850 | 399 | 269 | 98,073 |
| Laboratory | | | | | | 3,398 |
| Telephone | \$ 150 | 19,218 | 586 | 1,275 | 835 | 49,969 |
| Other | | 21,945 | 181 | 2,380 | 366 | 57,257 |
| Debt payment | | | | | | 25,672 |
| State match | | | | | | 11,788 |
| Rent | | 46 | 14 | 31 | 24 | 600 |
| Advertising | | 12219 | 31 | 51 | 55 | 64,984 |
| Mini Grants | | | | | | 22,085 |
| Total Expenditures | <u>\$ 150</u> | <u>325,175</u> | <u>53,684</u> | <u>118,985</u> | <u>77,838</u> | <u>3,071,086</u> |
| Net Revenues/(Expenditures) | <u>\$ (150)</u> | <u>(29,161)</u> | <u>2,151</u> | <u>9,364</u> | <u>(16,496)</u> | <u>55,765</u> |

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DOUGLAS RASMUSSEN, C.P.A.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Carbon County
Price, Utah 84501

Re: Independent Auditor's Report on Compliance
and on Internal Controls over Compliance
In Accordance with the State of Utah Legal
Compliance Audit Guide

REPORT ON COMPLIANCE

We have audited Carbon County's compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended December 31, 2013. The general compliance requirements applicable to the County are identified as follows:

| | |
|--|------------------------------|
| Government Records Access Mgt Act | Transient Room Tax |
| Cash Management | Nepotism |
| Statement of Taxes Charged, Collected and Disbursed | Open and Public Meetings Act |
| Assessing & Collecting of Property Taxes | Budgetary Compliance |
| Utah Retirement System Compliance | Justice Courts |
| Fund Balance Limitation | Utah Public Finance Website |
| | Conflicts of Interest |

The County received the following major assistance programs from the State of Utah:

Mineral Revenue Sharing (Department of Transportation)
Airport Improvement Resurface (Department of Transportation)

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Carbon County's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Utah Legal Compliance Audit Guide*. Those standards and the State of Utah Legal Compliance Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the County and its major programs occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with these requirements.

Opinion

In our opinion, Carbon County complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State of Utah Legal Compliance Audit Guide and which are described in our letter to management dated August 15, 2014 as items 2013-1, 2013-2, 2013-3, 2013-4 and 2013-5.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Managements of Carbon County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a time basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Carbon County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying letter to management. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Other Reporting Requirements

We have audited the basic financial statements of Carbon County for the year ended December 31, 2013. Our audit was performed for the purpose of forming opinions on the financial statements of Carbon County. The accompanying schedule of transient room tax is presented for purposes of additional analysis as required by the State of Utah Legal Compliance Audit Guide, and is not a required part of the basic financial statements of Carbon County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Purpose of Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Smuin, Rich & Marsing".

Price, Utah

August 15, 2014

**CARBON COUNTY/SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF EXPENDITURES OF STATE GRANTS,
CONTRACTS, AND LOAN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

| GRANT/LOAN NAME | AWARD CONTRACT # (IF APPLICABLE) | YEAR OF LAST AUDIT | EXPENDITURES |
|---|---|-------------------------------|----------------------------|
| Department of Economic Development | | | |
| Cadastral mapping grant | | | \$ 10,000 |
| Subtotal - Department of Economic Development | | | <u>\$ 10,000</u> |
| Department of Agriculture | | | |
| Liquor allotment | | | \$ 38,601 |
| Subtotal - Department of Agriculture | | | <u>\$ 38,601</u> |
| Utah Department of Transportation | | | |
| Mineral lease revenue sharing | | | \$ 485,959 * |
| B Road funds (none expended this year) | | | |
| Airport resurfacing project | | | 284,072 * |
| Subtotal - Utah Department of Transportation | | | <u>\$ 770,031</u> |
| Department of Health and Human Services | | | |
| Community based child abuse prevention | | | \$ 105,663 |
| Crisis respite care | | | 125,043 |
| Cancer promotion | | | 110 |
| TB control | | | 291 |
| Breast and cervical cancer | | | 150 |
| Utah indoor clear air | | | 340 |
| Physical act, nutrition and obesity | | | 4,569 |
| CHEC | | | 9,759 |
| LHD environmental services | | | 85,025 |
| Early childhood case management | | | 11,284 |
| Consumer education and assistance | | | 27,781 |
| Tobacco prevention and control | | | 192,120 |
| Emergency medical services | | | 25,361 |
| Minimum performance grant | | | 234,277 |
| Subtotal - Department of Health and Human Services | | | <u>\$ 821,773</u> |
| Commission on Criminal & Juvenile Justice | | | |
| CJC - Childrens justice center | | | \$ 130,044 |
| Subtotal - Commission on Criminal & Juvenile Justice | | | <u>\$ 130,044</u> |
| Department of Community and Culture | | | |
| CIB - Animal shelter grant | | | \$ 143,439 |
| Subtotal - Department of Community and Culture | | | <u>\$ 143,439</u> |
| TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES | | | <u><u>\$ 1,913,888</u></u> |

*Indicates Major Programs Tested

CARBON COUNTY
SCHEDULE OF TRANSIENT ROOM TAX EXPENDITURE BREAKDOWN
AUDIT DECEMBER 31, 2013

SUMMARY OF EXPENDITURES

ESTABLISHING AND PROMOTING:

| | |
|---------------------------------------|--------------------------|
| Tourism | <u>\$ 498,156</u> |
| Total Transient Room Tax Expenditures | <u><u>\$ 498,156</u></u> |

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MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Carbon County
Price, Utah 84501

RE: Report on Compliance and Other Matters
and on Internal Control Over Financial
Reporting Based on an Audit of Financial
Statements Performed in Accordance With
Government Auditing Standards

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Carbon County's basic financial statements and have issued our report thereon dated August 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carbon County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carbon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Carbon County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist, that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See items 2013-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2.

We noted certain matters that we reported to management of the County in a separate letter dated August 15, 2014.

Carbon County's Response to Findings

Carbon County's response to the findings identified in our audit, are described in the accompanying schedule of findings and questioned costs or in the management letter. Carbon County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SMUIN, RICH & MARSING

A handwritten signature in cursive script, appearing to read "Smuin, Rich & Marsing", written in dark ink.

Price, Utah

August 15, 2014

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Carbon County
Price, Utah 84501

RE: Independent Auditor's Report on Compliance for
Each Major Program and on Internal Control over
Compliance Required by OMB Circular A-133

Report on Compliance for Each Major Federal Program

We have audited Carbon County's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Carbon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Carbon County's compliance.

Opinion on Each Major Federal Programs

In our opinion Carbon County complied, in all material respect, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2. Our opinion on each major federal program is not modified with respect to these matters.

Carbon County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Carbon County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Carbon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carbon County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirements of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

SMUIN, RICH & MARSING

A handwritten signature in cursive script, reading "Smuin, Rich & Marsing".

Price, Utah

August 15, 2014

**CARBON COUNTY/SEUDHD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Carbon County.
2. There was one significant deficiencies or material weaknesses disclosed in internal control by the audit over the financial statements.
3. No instances of noncompliance material to the financial statements of Carbon County were disclosed by the audit.
4. There were no significant deficiencies or material weaknesses in internal control over major programs disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs for Carbon County expresses an unqualified opinion.
6. The audit of Carbon County's major programs disclosed no audit findings relating to major programs that the auditor is required to report.
7. The programs tested as major programs included:

| <u>Program</u> | <u>CFDA#</u> |
|--|--------------|
| WIC Administration and Nutrition/Food Vouchers | 10.557 |
| FAA Airport improvement projects | 20.106 |

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Carbon County was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

FINDING 2013-1 RECONCILIATION OF SIGNIFICANT ACCOUNTS – Carbon County

Criteria:

Statement on Auditing Standards No. 115 requires governmental entities to design and implement controls, which allow them to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles.

**FINDING 2013-1 RECONCILIATION OF SIGNIFICANT ACCOUNTS – Carbon County
(Continued)**

Statement of Condition:

The employees of the County failed to perform reconciliation's of significant accounts. Bank accounts are not being reconciled to the general ledger account in a timely or accurate manner. Some revenues are not being recorded in the financial statements in an accurate manner

Cause of Condition:

The County failed to perform work and make necessary changes during the year that dealt with some of the aspects of the prior year audit findings. The current work load and changes in personnel have made it difficult to meet all the demands of making sure revenue is recorded properly and bank accounts are reconciled on a monthly basis.

Effect or Possible Effect of Condition:

Unless bank accounts have been reconciled on a monthly basis to the general ledger, revenue received might not be reflected in the financial statements and expense transactions might not be recorded timely. Financial statements prepared each month, may not be in accordance with generally accepted accounting principles. Material misstatements can occur in the financial statements.

Recommendation:

We recommend monthly reconciliation of all bank accounts to the general ledger. All deposits in each bank account needs to be receipted and recorded timely in the financial statements. All expenditures occurring in the bank accounts need to be recorded timely. The County Clerk/Auditor needs to make sure internal controls have been adopted and implemented to ensure these procedures are performed timely. We recommend that management of the County over the accounting functions review the processes, and if necessary change them, to ensure the County initiates, authorizes, records, processes, and reports accurate bank account balances in accordance with generally accepted accounting principles.

County's Response:

County personnel will continue to review the accounting processes and make necessary changes in the current year. We have implemented certain procedures that have corrected some areas of concern from the previous audit, but failed to correct them all. We are in the process of finding a better approach to make certain all of the account balances are properly reflected. We will continue to educate those who are involved in the accounting functions for the County and make changes if needed. We have used the expertise of our outside auditors to help us understand and educate those involved in these processes and will continue to use their services.

FINDING 2013-2 EXPENDITURES IN EXCESS OF BUDGET

Statement of Condition:

During the year ended December 31, 2013, the County over spent its adopted budget in the General Fund: Contributions and miscellaneous.

Criteria:

Governmental compliance requirements state that officers and employees of governmental entities shall not incur expenditures or encumbrances in excess of the total budgeted appropriations. The level of compliance is on the department basis for Counties.

Cause of Condition:

During the end of the calendar year, the County made expenditures that were not anticipated and did not have adequate time to change the adopted budget. Although the County is aware that all expenditures need to be budgeted, some of these expenditures occurred when the County did not have adequate time to amend their current year budget.

Effect or Possible Effect of Condition:

The budget is the legal authorization for the County to spend funds. Citizens of the County could question the allowability of expenditures in excess of the budget, because the public did not authorize or have an opportunity to voice their opinion on the expenditure.

Recommendation:

We recommend the County monitor more closely the expenditures as compared to the approved budget to make sure they are in compliance with budgetary requirements.

County's Response:

The County is aware of the requirements to stay within their adopted budget and will continue to monitor expenditures as compared to the budget.

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | GRANT OR PASS THROUGH GRANTOR'S NUMBER | PROGRAM OR AWARD AMOUNT | CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2013 | RECEIPTS OR REVENUE RECOGNIZED | DISBURSEMENTS/ EXPENDITURES | CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2013 |
|--|---------------------------|--|-------------------------------|--|--------------------------------------|--------------------------------|--|
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | | |
| Pass Through State Department: | | | | | | | |
| WIC Administration and Nutrition (Note 2) | 10.557 | * | C7-I | \$ 505,229 | \$ 391,796 | \$ 391,796 | |
| WIC Administration and Nutrition (Note 2) | 10.557 | * | C7-I | 443,393 | 118,681 | 118,681 | |
| WIC Food Vouchers (Note 2) | 10.557 | * | C7-I | 914,006 | 688,599 | 688,599 | |
| WIC Food Vouchers (Note 2) | 10.557 | * | C7-I | 778,500 | 226,831 | 226,831 | |
| Pass Through Southeastern Utah Association of Government | 10.666 | | | | | | |
| Summer Food | 10.559 | | 100 | 100 | 100 | 100 | |
| USDA Cash in Lieu | 10.550 | | N/A | 51,932 | 49,343 | 49,343 | |
| Total U.S. Department of Agriculture | | | \$ 2,693,160 | \$... | \$ 1,475,350 | \$ 1,475,350 | \$... |
| U.S. DEPARTMENT OF INTERIOR | | | | | | | |
| Direct Program: | | | | | | | |
| Noxious Weed Act | 15.224 | | \$ 10,000 | | \$ 10,000 | \$ 10,000 | |
| Total U.S. Department of Housing and Urban Development | | | \$ 10,000 | \$... | \$ 10,000 | \$ 10,000 | \$... |
| U.S. DEPARTMENT OF JUSTICE | | | | | | | |
| Direct Program: | | | | | | | |
| Victims of Crime | 16.575 | | 13-VOCA-11 | \$ 35,500 | \$ 35,436 | \$ 35,436 | |
| National Children's Alliance | 16.758 | | 6-PRICE-UT-SA13 | 9,000 | 9,000 | 9,000 | |
| Justice Assistance - CCJJ | 16.540 | | 5,000 | | 5,000 | 5,000 | |
| Total U.S. Department of Justice | | | \$ 49,500 | \$... | \$ 49,436 | \$ 49,436 | \$... |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | | | |
| Direct Program: | | | | | | | |
| FAA - Airport Resurfacing | 20.106 | * | \$ 6,498,879 | | \$ 5,017,219 | \$ 5,017,219 | |
| Pass through State Department: | | | | | | | |
| Highway Safety Project | 20.600 | | 14-0208 | 4,000 | 548 | 548 | |
| Highway Safety Project | 20.600 | | 13-0208 | 14,450 | 7,436 | 7,436 | |
| Hazmat Emergency Preparation - HLS | 20.703 | | 12-0208 | 9,692 | 9,692 | 9,692 | |
| Total U.S. Department of Transportation | | | \$ 6,527,021 | \$... | \$ 5,034,895 | \$ 5,034,895 | \$... |

* Major Programs

SCHEDULE 8
(Continued)

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| <u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE</u> | <u>FEDERAL CFDA NUMBER</u> | <u>GRANT OR PASS THROUGH GRANTOR'S NUMBER</u> | <u>PROGRAM OR AWARD AMOUNT</u> | <u>CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2013</u> | <u>RECEIPTS OR REVENUE RECOGNIZED</u> | <u>DISBURSEMENTS/ EXPENDITURES</u> | <u>CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2013</u> |
|--|------------------------------------|---|--|---|---|--|---|
| U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY | | | | | | | |
| Pass through State Department: | | | | | | | |
| Environmental Services - DEQ | 66.468 | 130271/132516 | \$ 16,680 | | \$ 9,188 | \$ 9,188 | |
| Environmental Services - DEQ | 66.605 | 130271/132516 | 18,290 | | 10,091 | 10,091 | |
| Total U.S. Department of Environmental Protection Agency | | | \$ 34,970 | \$... | \$ 19,279 | \$ 19,279 | \$... |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | |
| Pass through State Department: | | | | | | | |
| TB Elimination | 93.116 | 131568 | \$ 7,774 | | \$ 7,479 | \$ 7,479 | |
| H1N1 Flu Phase 1 & 2 | 93.069 | 140630 | 271,640 | | 119,269 | 119,269 | |
| H1N1 Flu Phase 3 | 93.069 | 130765 | 285,340 | | 175,717 | 175,717 | |
| Immunizations | 93.268 | 131568 | 69,147 | | 69,147 | 69,147 | |
| Cancer Promotion | 93.283 | 130972 | 52,085 | | 5,879 | 5,879 | |
| Cancer Promotion | 93.283 | 130972 | 52,085 | | 5,731 | 5,731 | |
| Breast and Cervical Cancer | 93.283 | 140305 | 11,540 | | 3,822 | 3,822 | |
| Wisewoman | 93.283 | 140305 | 30,174 | | 9,000 | 9,000 | |
| Comprehensive Tobacco | 93.283 | 130972 | 44,112 | | 22,121 | 22,121 | |
| Comprehensive Tobacco | 93.283 | 140052 | 44,112 | | 16,147 | 16,147 | |
| CHEC | 93.778 | 130524 | 23,612 | | 10,546 | 10,546 | |
| CHEC | 93.778 | 140610 | 23,612 | | 9,725 | 9,725 | |
| Cons. Education & Assistance | 93.778 | 130524 | 30,498 | | 12,943 | 12,943 | |
| Cons. Education & Assistance | 93.778 | 140610 | 30,498 | | 14,838 | 14,838 | |
| Monticello Cancer Initiative | 93.888 | 10-1427 | 582,120 | | 141,515 | 141,515 | |
| Sexually Transmitted Disease | 93.977 | 131568 | 1,000 | | 1,000 | 1,000 | |
| Title XIX, Early Childhood | 93.778 | 130524 | 55,913 | | 13,777 | 13,777 | |
| Title XIX, Early Childhood | 93.778 | 140610 | 55,913 | | 13,849 | 13,849 | |
| Physical Act, Nutrition and Obesity | 93.991 | 140053 | 17,971 | | 5,484 | 5,484 | |
| Physical Act, Nutrition and Obesity | 93.991 | 130972 | 25,393 | | 20,460 | 20,460 | |
| VIPP | 93.991 | 130972 | 9,628 | | 5,417 | 5,417 | |
| VIPP | 93.991 | 140053 | 9,628 | | 4,376 | 4,376 | |
| Healthcare Association Infection | 93.521 | 131357 | 23,978 | | 11,989 | 11,989 | |
| Social Services Block Grant - XX | 93.667 | | 3,100 | | 3,100 | 3,100 | |
| Bioterrorism - MRC and ASPR Reg Preparedness | 93.889 | 140630 | 91,015 | | 37,220 | 37,220 | |
| Bioterrorism - MRC and ASPR Reg Preparedness | 93.889 | 130765 | 95,015 | | 47,471 | 47,471 | |
| HIV Prevention, Counseling and Testing | 93.940 | 131568 | 1,000 | | 1,000 | 1,000 | |
| Pano/Epice | 93.945 | 140053 | 6,928 | | 2,123 | 2,123 | |

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | GRANT OR PASS THROUGH GRANTOR'S NUMBER | PROGRAM OR AWARD AMOUNT | CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2013 | RECEIPTS OR REVENUE RECOGNIZED | DISBURSEMENTS/ EXPENDITURES | CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2013 |
|--|---------------------------|--|-------------------------------|--|--------------------------------------|--------------------------------|--|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | |
| Pass through State Department: | | | | | | | |
| VIPP | 93.994 | 130972 | \$ 31,328 | | \$ 17,153 | \$ 17,153 | |
| VIPP | 93.994 | 140053 | 31,328 | | 13,856 | 13,856 | |
| P-5 Home Visitation | 93.994 | 131223 | 16,000 | | 8,000 | 8,000 | |
| P-5 Home Visitation | 93.994 | 140166 | 20,000 | | 8,000 | 8,000 | |
| Community Based Services | 93.994 | 12-1904 | 100,000 | | 60,920 | 60,920 | |
| MCH - General Health Block Grant | 93.994 | 131223 | 87,610 | | 43,805 | 43,805 | |
| MCH - General Health Block Grant | 93.994 | 140166 | 129,513 | | 43,805 | 43,805 | |
| Community Transformation | 93.531 | 130972 | 53,250 | | 21,435 | 21,435 | |
| Community Transformation | 93.531 | 140053 | 39,000 | | 21,990 | 21,990 | |
| Pass Through Southeastern Utah Association of Governments: | | | | | | | |
| Special Program of Aging - | | | | | | | |
| Support Services | 93.044 | N/A | 41,283 | | 20,642 | 20,642 | |
| Support Services | 93.044 | N/A | 42,118 | | 21,059 | 21,059 | |
| Title III, Nutrition | 93.045 | N/A | 70,936 | | 35,468 | 35,468 | |
| Title III, Nutrition | 93.045 | N/A | 74,448 | | 37,252 | 37,252 | |
| Senior Health | 93.043 | AOG | 3,556 | | 1,325 | 1,325 | |
| Senior Health | 93.043 | AOG | 3,655 | | 1,828 | 1,828 | |
| Social Services Block Grant - XX | 93.667 | AOG | 5,724 | | 4,820 | 4,820 | |
| Social Services Block Grant - XX | 93.667 | AOG | 6,958 | | 3,479 | 3,479 | |
| Total U.S. Department of Health and Human Services | | | \$ 2,711,538 | \$ | \$ 1,155,982 | \$ 1,155,982 | \$ |

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | GRANT OR PASS THROUGH GRANTOR'S NUMBER | PROGRAM OR AWARD AMOUNT | CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2013 | RECEIPTS OR REVENUE RECOGNIZED | DISBURSEMENTS/ EXPENDITURES | CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2013 |
|---|---------------------------|--|-------------------------------|--|--------------------------------------|--------------------------------|--|
| CORPORATION FOR NATIONAL SERVICE | | | | | | | |
| Direct Program: | | | | | | | |
| Retired Senior Volunteer Program | 94.002 | 440-P062/20 | \$ 40,485 | | \$ 40,485 | \$ 40,485 | |
| Pass through Association of Governments: | | | | | | | |
| Retired Senior Volunteer Program | 94.002 | | 5,500 | | 5,500 | 5,500 | |
| Total U.S. Department of Corporation for National Service | | | \$ 45,985 | \$... | \$ 45,985 | \$ 45,985 | \$... |
| U. S. DEPARTMENT OF HOMELAND SECURITY | | | | | | | |
| Direct Program: | | | | | | | |
| Hazardous Material - Hazmat Recovery | 97.042 | | \$ 50,000 | | \$ 50,000 | \$ 50,000 | |
| Home Land Security - SHSP/CCP | 97.067 | | 643,559 | | 110,055 | 110,055 | |
| Total U.S. Department of Homeland Security | | | \$ 693,559 | \$... | \$ 160,055 | \$ 160,055 | \$... |
| TOTAL FEDERAL ASSISTANCE | | | \$ 12,765,733 | \$... | \$ 7,950,982 | \$ 7,950,982 | \$... |

* Major Programs

CARBON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of program activity of the County's federal award programs and does not necessarily present transactions that would be included in financial statements of the County presented on the modified accrual basis of accounting, as contemplated by generally accepted accounting principles.

2. FOOD INSTRUMENTS

Amounts shown on the schedule of expenditures of federal awards as WIC food vouchers are not direct cash expenditures of Carbon County. The Southeastern Utah Health District operates the Women, Infant and Children program. As part of this program the Health District distributes food instruments provided by the State of Utah that can be redeemed at local stores for food items. The dollar amounts, reported on the schedule of expenditures of federal awards, are the fair market value of the food instruments.

3. MEDICAID CASE MANAGEMENT

Medicaid Case Management is reimbursed on a fee for service basis. Because of this type of payment, the revenue exceeds the expenses for this program. In order not to have an accrued revenue amount for these programs, additional expenses have been recorded.

**CARBON COUNTY/SEUDHD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Finding 2012-1 Reconciliation of Significant Accounts

See current year audit findings. Not corrected

Finding 2012-2 Deficit fund balance

Corrected in the current year. Corrected

Finding 2012-3 Application and presentation of GAAP financial statements

Corrected in the current year. Corrected

Finding 2012-4 Expenditures in Excess of Budget

See current year audit finding. Not corrected.

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

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CRAIG G. SMUIN, C.P.A.
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GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners - Carbon County/
Southeastern Utah District Health Department
Price, Utah 84501

Ladies/Gentlemen:

The following comments and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the financial statements of Carbon County for the year ended December 31, 2013.

Since our review was made primarily to determine the scope of our auditing procedures and was not intended as a comprehensive study or evaluation of the systems and procedures, this memorandum should not be considered all inclusive.

We welcome the opportunity to discuss any items mentioned in this memorandum or any other accounting, or procedural questions.

CARBON COUNTY

2013-1 JAIL RECORDING – INMATE TRUST ACCOUNT AND COMMISSARY FUNDS

The jail is receiving and collecting funds for the inmates and is required to have internal controls that will safeguard these funds and keep adequate documentation to support the transactions performed. Excess funds are to be sent to the County on a regular basis. From our examination, the excess in the inmate account (commissary) is not being remitted timely to the County, and the County has not pursued timely payment of the funds to the County.

We recommend the County review the processes at the Jail facility and implement internal controls that have been established at the County. Monthly bank reconciliations are being performed and this information needs to be sent to the Clerk/Auditor timely. We recommend a check list of processes that should be performed on a monthly basis by the jail, be generated and implemented by the Clerk/Auditor and approved by the County Commissioners.

Client Response

The County has implemented a monthly closing process for the jail and will continue to monitor and adapt this process as needed to ensure that monies are correctly deposited with the County on a monthly basis.

CARBON COUNTY (continued)

2013-3 DEBT SERVICE RESERVES

The County has set aside or restricted funds for debt service reserves, but these funds are not in a separate account. These funds are comingled in the total cash balances of the County. Although the County has the reserves designated, they should be in a separate account and identified as debt service reserve funds. This identifies the amount of the funds and what they are intended to be used for, without any further calculations. This also enables the County to meet the criteria of the bond documents.

We recommend the County establish a separate debt service reserve fund and deposit the required debt service reserve amounts in the account. Currently and in the future, the County should deposit the necessary reserve amounts into this account to meet the requirements of the bond documents.

Clients Response

The County will establish a separate account and transfer appropriate debt service reserves.

2013-4 RECONCILIATION OF PAYROLL LIABILITIES TO PROPER FUNDS

The County should reconcile the payroll liabilities on a regular basis and ensure that the expenditures are recorded in the proper funds. During the audit, we proposed adjustments to several payroll liability accounts that were accumulating costs (the 03 account), but were not adjusted and moved to proper expense accounts in the different funds. Timely reviews and necessary adjustments will ensure the expenses are properly reported and financial statements will reflect more accurate balances.

We recommend the County review their processes for reviewing and reconciling the payroll liability accounts at the end of each month. Necessary adjustments need to be made timely to ensure accurate financial information is presented to the governing board.

Clients Response

The County will review the payroll liabilities process with their accounting software provider to facilitate a more timely reconciliation of payroll liabilities.

2013-5 TIMELY GRANT REIMBURSEMENT SUBMISSION

The County has incurred expenditures that were to be reimbursed from grant funds being held in trust until reimbursement requests were submitted and verified by the funding agency. Expenditures had been made for several months without any reimbursement request submitted. Although the County had adequate funds to pay for the expenditures made, accurate information was not available to determine the unused portion of the grant funds. After considerable effort by the County, a final reimbursement was submitted that was for a significant dollar amount.

CARBON COUNTY (continued)

2013-5 TIMELY GRANT REIMBURSEMENT SUBMISSION (Continued)

We recommend the County review their grant reimbursement processes and establish guidelines for when and how the reimbursement requests will be performed and by whom. The County should make every effort to file timely reimbursement requests, so the County is not obligating other funds for an extended period of time and reduce available resources.

Clients Response

The County has reviewed the process for requesting grant reimbursements and will make the appropriate changes to receive timely reimbursements.

No Management letter for Southeastern Utah District Health Department

SUMMARY

We feel the accounting procedures and internal control items mentioned above are some areas where Carbon County and Southeastern Utah District Health Department can make changes so as to further improve their internal control structures to safeguard the assets, check the accuracy and reliability of accounting data and promote operating efficiency.

Sincerely,

SMUIN, RICH & MARSING

A handwritten signature in cursive script, appearing to read "Anna, Rich & Marsing", written in black ink.

Price, Utah

August 15, 2014